

# STATE OF NEVADA

## Comprehensive Annual Financial Report

for the Fiscal Year  
Ended June 30, 2010

**Kim R. Wallin**, CMA, CFM, CPA  
State Controller

# **KIM R. WALLIN, CMA, CFM, CPA**

## **STATE CONTROLLER**

Kim Wallin is a native Nevadan and is the first CPA to be elected to the office of State Controller in 50 years. She is the first CMA (Certified Management Accountant) to hold this office.

Kim is currently a member of the AGA Partnership for Intergovernmental Management and Accountability Steering Committee, a Director on the NASC Executive Committee and member of the IMA XBRL Committee. In addition she is a member of the Institute of Management Accountants, AICPA, NSCPA, NASACT and AGA. She recently served on a workgroup that was formed by an Executive Order to address improper payments. Nevada was one of only three States that were asked to serve on the workgroup.

In September 2003, *Accounting Today* recognized Wallin as one of the 100 most influential people in accounting in the country. In September 2006 she was named “Woman CPA of the Year” of the entire country by the American Women’s Society of CPA’s.

Kim is the former Chair of the Institute of Management Accountants (IMA), the world’s leading organization dedicated to empowering management accounting and finance professionals to drive business performance. Wallin served as Chair of IMA in 2003-2004.

She served for two years on the Ethics Committee of the Nevada Society of CPA’s (NSCPA).

She is President of her own Las Vegas based accounting firm, D K Wallin, Ltd which she founded in 1984. Previously, she worked for Joseph F. Zerga, Ltd.

Wallin graduated from UNLV completing a degree in Business Administration with a major in accounting.

Kim has been active with local service and volunteer organizations. She has been President of Soroptimist International of Creative Las Vegas and has served as the Treasurer for the Opus Dance Ensemble and the Actors Repertory Theatre.

Kim’s hobbies include wine tasting and gourmet cooking. She also enjoys working out, golf, skiing, hiking and even has a black belt in Aikido!



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State of Nevada  
**Office of State Controller**  
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State Controller

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December 20, 2010

To the Citizens, Governor and Legislators of the State of Nevada:

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The objective of this Report is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund-based financial statements.

### INTRODUCTION TO THE REPORT

**Responsibility:** The Controller's Office prepares the State of Nevada CAFR and is responsible for the accuracy, completeness, and fairness of the presentation, including disclosures. To the best of our knowledge and belief, the information contained in the State of Nevada CAFR is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the State's primary government and the component units for which it is financially accountable. Additionally, this report includes all disclosures necessary to enable the reader to gain a reasonable understanding of Nevada's financial activities.

**Generally Accepted Accounting Principles:** As required by State Accounting Procedures Law, this report has been prepared in accordance with generally accepted accounting principles (GAAP), applicable to State and Local Governments as established by the Governmental Accounting Standards Board (GASB). The State also voluntarily follows the recommendations of the Government Finance Officer's Association (GFOA) for the contents of government financial reports and participates in the GFOA's review program for the Certificate of Achievement for Excellence in Financial Reporting.

**Internal Control Structure:** The State of Nevada has established a comprehensive internal control framework designed to both safeguard the government's assets against loss from unauthorized use or theft, and to properly record and adequately document transactions. As a result, the transactions can be compiled into the presentation of the State's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Many of the essential control features are decentralized. Consequently, the State relies upon the controls in place within the various State departments and agencies. NRS 353A.025 requires the head of each agency to review their internal controls on a periodic basis to determine if the agency is in compliance with the Uniform System of Internal Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to July 1st of even-numbered years, agencies are required to report the status of their internal controls to the Department of Administration.

**Independent Auditors:** The independent accounting firm of Kafoury, Armstrong & Co. has audited the accompanying financial statements in accordance with generally accepted governmental auditing standards. Their opinion appears in the Financial Section of this publication. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State of Nevada are free of material misstatement. We received an unqualified opinion on the basic financial statements for this fiscal year.

The independent audit of the financial statements of the State of Nevada is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the financial statements. This report can be found in the Compliance Section of the CAFR, as well as in the State of Nevada's separately issued Single Audit Report.

**Management's Discussion and Analysis:** Generally accepted accounting principles require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## PROFILE OF GOVERNMENT

**Background:** The State of Nevada was admitted to the Union in 1864 and is bordered by five other states. The Great Basin Desert dominates the landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Over 80 percent of Nevada's 70,264,320 acres are owned and managed by the federal government. Approximately 88 percent of our 2.7 million residents live in two distinct population centers, Washoe County in the northwest and Clark County at the southeast tip, separated by 450 miles.

The State of Nevada does not levy a personal income tax. The State's economy and tax base are dependent upon the interrelated gaming and tourism industries as well as upon federal activities, mining, warehousing, manufacturing, and agriculture.

The State operates under a constitution which provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, public safety, business regulation, and resource development.

**Reporting Entity:** The State of Nevada reporting entity reflected in the State of Nevada CAFR, which is more fully described in Note 1 to the basic financial statements, conforms to the requirements of GASB Statement No. 14. The accounting and reporting principles contained in Statement No. 14 are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and that financial statements should emphasize primary government and permit financial statement users to distinguish between the primary government and its component units.

The primary government includes the Public Employees, Legislators and Judicial Retirement Systems, and the Nevada Real Property Corporation. The State Legislature retains significant governing powers over these entities. The Nevada System of Higher Education and the Colorado River Commission are shown separately as component units to emphasize that they are legally separate from the State.

## Financial Information

**Debt Management:** The State Constitution limits the aggregate principal amount of the general obligation debt to two percent of the total reported assessed property value of the State. Additional disclosures regarding the State's long-term obligations are provided in Note 8 to the basic financial statements.

**Long Term Financial Planning and Financial Policies:** The State's statute requires a balanced budget (NRS 353.205) and is designed to limit the growth of spending from the General Fund to the growth of population and inflation (NRS 353.213). The Governor must submit a proposed budget for the Executive Branch to the State Legislature before each regular session, which convenes every odd-numbered year. The Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

In accordance with State statute, The Economic Forum, comprised of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. If revenues fall below those originally anticipated during the course of the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

## ECONOMIC OUTLOOK

Nevada will continue to struggle through a slow recovery before reaching economic stability, but the heavy cuts to the 2010 budget and a more realistic perspective have begun to bring spending in line with revenues. In 2010 General Fund revenue increased over last year by \$700 million, with \$198 million resulting from increased taxes and \$487 million from intergovernmental federal funding. In addition, 2011 monthly tax and fee collections to date are 7.8% more than budgeted. The American Recovery and Reinvestment Act (ARRA) funds have provided relief during the current budget cycle; however, they will be fully expended in the short term and are not expected to be extended. Short-term tax increases will expire as well.

The Economic Forum revenue forecast of \$5.3 billion for the 2012-2013 biennium is 17% (\$1.1 billion) less than existing spending levels and \$3 billion less than the budget requests from State agencies. The greatest impact on the upcoming budget will be covering for the loss of \$592 million in ARRA funds and another \$552 million of expired local taxes that had supported schools. The State will also incur the added cost of \$240 million in Medicare case-load and rate increases, \$105.7 million in interest due on Unemployment Trust funds borrowed from the federal government to pay unemployment claims, and a \$78 million increase in school health benefit costs. When the 2012-2013 biennial budget is finalized in the upcoming legislative session, fewer dollars will translate to reduced services in all areas of government.

Gaming revenues reached a six-year low in 2010, but they have begun to see signs of recovery. The first quarter of 2011 had a healthy 2.3% increase over the previous quarter. Revenues were still down year over year, but nowhere near the 14% decline seen during 2009. Hotel occupancy had been stagnant, but average daily room rates are up 6%, and visitor volume from January to June in Las Vegas is up 4.3% compared to last year. The weak national economy, higher unemployment rates, higher foreclosure rates and increased competition for gaming customers are all seen as contributing to falling revenues for the gaming industry.

Unemployment in Nevada was 14.3% in June, and while the private sector added 3,400 jobs during that month, the construction industry lost an estimated 2,400 jobs as projects reached completion. The U.S. Bureau of Labor Statistics has put the actual unemployment rate closer to 22%, including those working part-time for economic reasons and discouraged workers not actively seeking employment. The State's unemployment rate rose to an all-time high of 14.5% in September, but was immediately followed by a substantial drop to 13.7% in October, and employment projections for the State indicate moderate growth through 2013. Nevada continues to have the highest foreclosure rate in the country for the 43<sup>rd</sup> straight month. As the national recovery begins to take hold and stimulate a rebound for Nevada, the State is focused on important opportunities to diversify its economy, but to do that Nevada will need a more educated workforce.

## MAJOR INITIATIVES

**Resource Development:** Nevada's sustainable energy initiative gained momentum during 2010, and clean energy is now the fastest-growing industry in the State. Our renewable energy standard is one of the most aggressive in the nation; by the year 2025 at least 25% of energy sold to consumers must be from renewable sources with at least 6% from solar by 2016.



National, state, tribal, and local governments recently entered into an agreement to use 25-square miles of the former Nevada Nuclear Test Site for a Solar Demonstration Zone that will test innovative, utility-scale solar energy technologies and demonstrate their commercial viability. The site will allow companies to gain valuable field results in order to bring their projects quickly to market, while ensuring that Nevada is at the center of this promising industry.

Currently, the State's renewable energy base (in Megawatts) is 120 of solar, 375 of geothermal, 1 of wind, 7 of biomass and 1,100 of hydroelectric. Projects with permits in place will add 776 of solar, 568 of geothermal and 350 of wind, and an additional 108 such projects are under development. Now that these resources are being developed in earnest, one challenge is getting them to the electricity grid. Transmission from remote locations is an urgent issue, especially if Nevada is to become a net exporter of renewable energy. Solutions include the 235-mile "ON Line" that will deliver renewable energy to market, scheduled for completion by early 2013.

The Nevada Commission on Economic Development is focused on attracting suppliers and manufacturers to our State that build and operate these renewable energy plants on a worldwide scale. Amonix, a California-based leader in the manufacture of photovoltaic systems, has chosen North Las Vegas to open a new manufacturing plant that will bring 300 jobs to the area with an estimated economic impact of \$608 million.

Nevada's favorable corporate tax structure and business-friendly policies complement our 270 days of sunshine, broad expanses of windy desert and unique potential for geothermal production, all of which reinforce the State's advantage in this emerging economy.

**Education:** A critical lack of funding is straining the education system. Administrators, teachers and parents will have to use existing resources or creatively find funding sources to prepare the rising generation of Nevadans. K-12 education continues to make steady gains in both national and state level tests, and in reducing achievement gaps. Nevada students increased their math scores from 2003-2009 at a rate greater than the national average. The State Board of Education has adopted a rigorous set of state-led education standards, Common Core State Standards (CCSS), which establish mathematics and English language arts as the foundation of curriculum, instruction and assessments.

Each year students must meet the target set for the federal Adequate Yearly Progress (AYP). Due to budget cuts only 45% of elementary schools, 37% of middle schools and 72% of high schools met the requirements, which was a slight decline over last year. On a positive note, 46 schools were "designated" as High Achieving and nine received the highest honor of Exemplary. Educators will look to these successful schools as instructional models for improving statewide graduation rates and meeting AYP targets.

The Nevada System of Higher Education (NSHE) currently serves over 114,000 students and enrollment has increased again for the 11<sup>th</sup> year in a row. Our colleges and universities are a vital economic resource, the conduit to an educated population capable of supporting stable industries in a stronger economy. They intend to recruit, retain and graduate 1,064 more students each year through 2020 by renewing their commitment to excellence and efficiency. To achieve this they have proposed fee restructuring, accelerated degree programs, credit limitations on degrees, streamlining transfer agreements, stricter review of programs with too small numbers of graduates, and providing incentives to shorten the time it takes to get a degree. As part of the plan they will be funding research designed to bring high-tech businesses to Nevada, focusing on green technologies and renewable energy, water and natural resources, biotechnology and health care. It's critical for Nevada's economy to have an educated workforce. Failure to do so will have long term effects on all segments of Nevada's society and economy.

**Health and Human Services:** Nevada began the year with one of the lowest per capita Medicaid enrollments in the country, but the number of Medicaid recipients increased by 22% during the year. As caseload growth accelerated more than anticipated, ARRA funds helped keep benefit and eligibility cuts to a minimum. Unfortunately, the State will need to add \$240 million to the budget for Medicaid. As expected, demand for social programs hit hard; Temporary Assistance to Needy Families (TANF) recipients increased 29%, food stamp recipients increased 45%, and the number of WIC participants in 2010 increased 10% to 870,000. Program cuts and a decline in our population resulted in a decrease in the number of mental health clients and the number of at-risk children supported through Welfare during the year.

The State continues to study the impact of the Affordable Care Act, which could impact the State's ability to provide other services when it takes effect in 2014.

**Transportation:** The Nevada Department of Transportation (NDOT) obligated all \$201 million of its ARRA funds one month ahead of schedule and was one of the first three states to obligate all of their allotted ARRA money. All 17 Nevada counties received funds, resulting in approximately 70 ARRA funded projects statewide. More than \$120 million went to projects in Clark County. An estimated \$26 million was for construction of the I-580/Meadowood Interchange project in Washoe County, while various projects throughout other areas of the State improved rural Nevada roads. Projects were selected based on engineering need and ability to advance jobs and economic growth while equitably providing transportation improvements. Highway preservation projects such as repaving were selected because they help repair roadways before more costly repairs are needed.

NDOT's first design-build project, the \$250 million widening of I-15 north of Las Vegas, was completed 20 months early and within budget. This project is one of ten finalists in the 2010 America's Transportation Awards.

The Hoover Dam Bypass project was also completed ahead of schedule and within budget at a total cost of \$240 million. Combined with the impressive Colorado River Bridge and Boulder City Bypass, the US 93/95 interchange will provide the region with a much safer and less congested corridor when all phases of the plan are complete.


### **AWARDS AND ACKNOWLEDGMENTS**

**GFOA Certificate of Achievement:** The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR.

A Certificate of Achievement is valid for only a one-year period. We believe our current CAFR continues to meet the requirements of Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments and Conclusion:** This report would not have been possible without the hard work, dedication and professionalism of my staff and the cooperation and assistance from all State Agencies, Legislature and the Judiciary. I sincerely appreciate the efforts of all the individuals involved. The Nevada State Controller's Office is committed to advancing accountability, continuity and efficiency in the State's financial operations.

Sincerely,



Kim R. Wallin, CMA, CFM, CPA  
Nevada State Controller

# STATE OF NEVADA CONSTITUTIONAL OFFICERS



BRIAN KROLICKI  
LIEUTENANT GOVERNOR



JIM GIBBONS  
GOVERNOR



ROSS MILLER  
SECRETARY OF STATE



KATE MARSHALL  
TREASURER

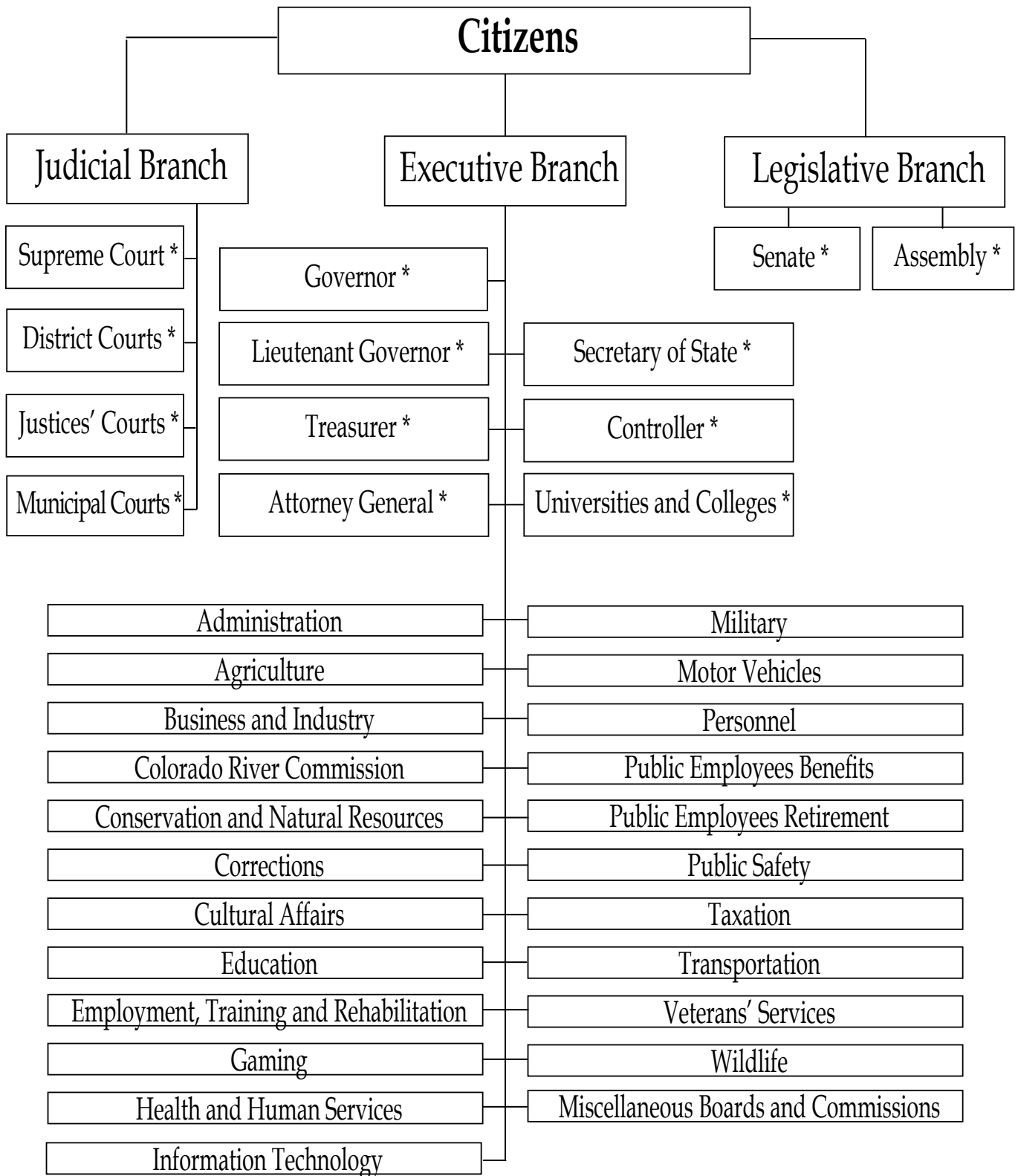


KIM R. WALLIN  
CONTROLLER



CATHERINE CORTEZ MASTO  
ATTORNEY GENERAL

# ORGANIZATIONAL CHART



\* Elected Officials

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# FINANCIAL SECTION



**Thunder Canyon Golf Course  
Washoe Valley, NV**

Photo by: Laura Jones



**KAFOURY ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditor's Report

The Honorable Kim Wallin, CMA, CFM, CPA  
State Controller

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2010, which collectively comprise the State of Nevada's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Nevada's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit:

#### Government-Wide Financial Statements

- the financial statements of the Housing Division, which represent 63.17 percent of the assets and 3.50 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units.

#### Fund Financial Statements

- the financial statements of the Housing Division Enterprise Fund;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds, which represent less than one percent of the assets and 4.92 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 73.50 percent of the assets and 46.61 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represents 17.80 percent of the assets and 30.65 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund, which represent less than one percent of the assets and revenues of the aggregate remaining fund information.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees’ Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2010, and the respective changes in financial position and, cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010 on our consideration of the State of Nevada’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management’s discussion and analysis on pages 12 through 22, the budgetary comparison schedule, the notes to required supplementary information-budgetary reporting, the schedule of funding progress and the schedule of infrastructure condition and maintenance data, collectively on pages 84 through 88, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada’s basic financial statements. The introductory section, combining statements, schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and accordingly, we express no opinion on them.

Reno, Nevada  
December 17, 2010





# MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

## HIGHLIGHTS

### **Government-wide:**

*Net Assets* – The assets of the State exceeded its liabilities at the close of the fiscal year ended June 30, 2010 by \$4.2 billion (reported as *net assets*). Of the \$4.2 billion in net assets, \$1.1 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is the \$3.6 billion invested in capital assets, net of related debt.

*Changes in Net Assets* – The State's total net assets decreased by \$527.4 million in fiscal year 2010. Net assets of governmental activities increased by \$123.5 million (a 3.1% increase) and net assets of the business-type activities decreased by \$650.9 million (an 80.0% decrease).

### **Fund-level:**

At the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$1.6 billion, a decrease of \$34.9 million from the prior year. Of this amount, \$485.5 million represents the *unreserved fund balance*.

The State's enterprise funds reported combined ending net assets of \$164.3 million, a decrease of \$651.2 million from the prior year, attributable primarily to a decrease of \$672.2 in net assets of the Unemployment Compensation fund. Of the combined ending net assets, \$303.8 million represents a deficit in *unrestricted net assets* of which \$301.9 is from the Unemployment Compensation fund.

The State's fiduciary funds reported combined ending net assets of \$27.8 billion, an increase of \$3.4 billion from the prior year. This increase is due primarily to the change in the fair value of investments in the Pension Trust Funds.

### **Long-term Debt (government-wide):**

The net increase in the State's long-term debt obligations was \$495.1 million (an 11.5% increase) during the current fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains other supplementary information in addition to the basic financial statements.

### **Government-wide Financial Statements:**

The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net assets* presents *all* of the State's assets and liabilities, with the difference between the two reported as "net assets." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net assets changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net assets are reported

as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide statements above report three types of activities:

*Governmental Activities* – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education and support services, law, justice and public safety, regulation of business, transportation, recreation and resource development, interest on long-term debt and unallocated depreciation.

*Business-type Activities* – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State’s business-type activities.

*Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. The State has two discretely presented component units – the Nevada System of Higher Education and the Colorado River Commission. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

**Fund Financial Statements:**

A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State’s funds are broken down into three types:

*Governmental funds* – Most of the State’s basic services are reported in governmental funds. These funds focus on short-term inflows and outflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

*Proprietary funds* – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

*Fiduciary funds* – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

**Notes to the Financial Statements:**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

**Required Supplementary Information:**

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of funding progress for certain pension trust funds and a schedule of infrastructure condition and maintenance data.

**Other Supplementary Information:**

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information also contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The State's overall financial position and operations for the fiscal years ended June 30, 2010 and 2009 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

<b>State of Nevada's Net Assets-Primary Government</b> <i>(expressed in thousands)</i>							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Change</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010-2009</b>
<b>Assets</b>							
Current and other assets	\$ 3,299,428	\$ 3,390,666	\$ 1,904,758	\$ 2,040,393	\$ 5,204,186	\$ 5,431,059	\$ (226,873)
Net capital assets	5,330,157	5,198,108	10,986	10,360	5,341,143	5,208,468	132,675
<b>Total assets</b>	<b>8,629,585</b>	<b>8,588,774</b>	<b>1,915,744</b>	<b>2,050,753</b>	<b>10,545,329</b>	<b>10,639,527</b>	<b>(94,198)</b>
<b>Liabilities</b>							
Current liabilities	1,399,495	1,458,110	78,624	79,965	1,478,119	1,538,075	(59,956)
Long-term liabilities	3,148,576	3,172,628	1,672,864	1,153,620	4,821,440	4,326,248	495,192
<b>Total liabilities</b>	<b>4,548,071</b>	<b>4,630,738</b>	<b>1,751,488</b>	<b>1,233,585</b>	<b>6,299,559</b>	<b>5,864,323</b>	<b>435,236</b>
<b>Net Assets</b>							
Invested in capital assets, net							
of related debt	3,622,787	3,492,205	3,615	3,286	3,626,402	3,495,491	130,911
Restricted	683,526	702,743	464,346	819,348	1,147,872	1,522,091	(374,219)
Unrestricted (deficit)	(224,799)	(236,912)	(303,705)	(5,466)	(528,504)	(242,378)	(286,126)
<b>Total net assets</b>	<b>\$ 4,081,514</b>	<b>\$ 3,958,036</b>	<b>\$ 164,256</b>	<b>\$ 817,168</b>	<b>\$ 4,245,770</b>	<b>\$ 4,775,204</b>	<b>\$ (529,434)</b>

**Net Assets:**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The State's combined net assets (governmental and business-type activities) totaled \$4.2 billion at the end of 2010, compared with \$4.8 billion at the end of the previous year.

The largest portion of the State's net assets (\$3.6 billion or 85%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net assets of \$1.1 billion or 27% represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net assets deficit of \$528.5 million or -12%, as compared to a \$242.4 million deficit in the prior year. Although general revenues in the form of gaming taxes, sales and use taxes, and motor taxes were lower, total government-wide revenues increased over the prior year, due primarily to additional federal funds received through the American Recovery and Reinvestment Act which includes stimulus, Medicaid and unemployment compensation programs. Even so, the unrestricted net assets deficit occurred because the increase in government-wide expenses exceeded the revenues received. The majority of the increase in government-wide expenses was due to the \$897 million increase in unemployment insurance benefits paid. Nevada's unemployment rate is significantly higher

than the national average, and the State continues to deal with the effects of lower levels of consumer spending and tourism. Nevertheless, at the end of the current fiscal year, the State is able to report positive balances in two of the three categories of net assets, both for the government as a whole, as well as for its governmental activities and the business-type activities.

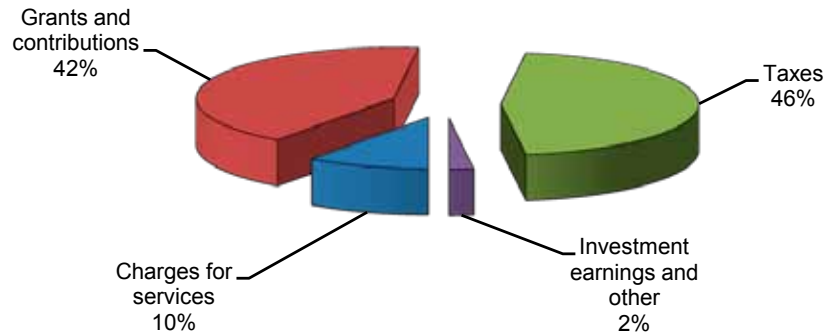
**Changes in State of Nevada's Net Assets-Primary Government**  
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2010	2009	2010	2009	2010	2009	2010-2009
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 797,028	\$ 794,893	\$ 87,356	\$ 105,244	\$ 884,384	\$ 900,137	\$ (15,753)
Operating grants and contributions	3,141,986	2,544,032	1,335,177	525,550	4,477,163	3,069,582	1,407,581
Capital grants and contributions	56,719	19,608	-	-	56,719	19,608	37,111
General revenues							
Sales and use taxes	870,474	943,787	-	-	870,474	943,787	(73,313)
Gaming taxes	844,470	883,054	-	-	844,470	883,054	(38,584)
Modified business taxes	381,300	281,605	-	-	381,300	281,605	99,695
Insurance premium taxes	233,280	241,252	-	-	233,280	241,252	(7,972)
Property and transfer taxes	266,878	278,881	-	-	266,878	278,881	(12,003)
Motor and special fuel taxes	268,554	272,614	-	-	268,554	272,614	(4,060)
Other taxes	620,834	374,704	314,657	342,588	935,491	717,292	218,199
Investment earnings	(1,246)	9,026	-	-	(1,246)	9,026	(10,272)
Other	169,024	181,086	-	-	169,024	181,086	(12,062)
<b>Total Revenues</b>	<b>7,649,301</b>	<b>6,824,542</b>	<b>1,737,190</b>	<b>973,382</b>	<b>9,386,491</b>	<b>7,797,924</b>	<b>1,588,567</b>
<b>Expenses</b>							
General government	375,219	389,943	-	-	375,219	389,943	(14,724)
Health and social services	3,017,013	2,667,419	-	-	3,017,013	2,667,419	349,594
Education and support services	2,430,923	2,475,416	-	-	2,430,923	2,475,416	(44,493)
Law, justice and public safety	690,104	687,410	-	-	690,104	687,410	2,694
Regulation of business	100,380	118,086	-	-	100,380	118,086	(17,706)
Transportation	644,976	762,610	-	-	644,976	762,610	(117,634)
Recreation and resource development	161,048	165,741	-	-	161,048	165,741	(4,693)
Interest on long-term debt	132,238	138,304	-	-	132,238	138,304	(6,066)
Unallocated depreciation	1,448	976	-	-	1,448	976	472
Unemployment insurance	-	-	2,233,382	1,336,043	2,233,382	1,336,043	897,339
Housing	-	-	57,342	44,382	57,342	44,382	12,960
Water loans	-	-	14,697	6,218	14,697	6,218	8,479
Workers' compensation and safety	-	-	26,084	26,801	26,084	26,801	(717)
Higher education	-	-	14,051	13,103	14,051	13,103	948
Other	-	-	23,175	16,967	23,175	16,967	6,208
<b>Total Expenses</b>	<b>7,553,349</b>	<b>7,405,905</b>	<b>2,368,731</b>	<b>1,443,514</b>	<b>9,922,080</b>	<b>8,849,419</b>	<b>1,072,661</b>
Excess (deficiency) in net assets before contributions to permanent funds and transfers	95,952	(581,363)	(631,541)	(470,132)	(535,589)	(1,051,495)	515,906
Contributions to permanent fund	8,165	7,019	-	-	8,165	7,019	1,146
Transfers	19,361	23,912	(19,361)	(23,912)	-	-	-
<b>Change in net assets</b>	<b>123,478</b>	<b>(550,432)</b>	<b>(650,902)</b>	<b>(494,044)</b>	<b>(527,424)</b>	<b>(1,044,476)</b>	<b>517,052</b>
Net assets - beginning of year	3,958,036	4,508,468	817,168	1,311,212	4,775,204	5,819,680	(1,044,476)
Change in reporting entity	-	-	(2,010)	-	(2,010)	-	(2,010)
Net assets - beginning of year (restated)	3,958,036	4,508,468	815,158	1,311,212	4,773,194	5,819,680	(1,046,486)
<b>Net assets - end of year</b>	<b>\$ 4,081,514</b>	<b>\$ 3,958,036</b>	<b>\$ 164,256</b>	<b>\$ 817,168</b>	<b>\$ 4,245,770</b>	<b>\$ 4,775,204</b>	<b>\$ (529,434)</b>

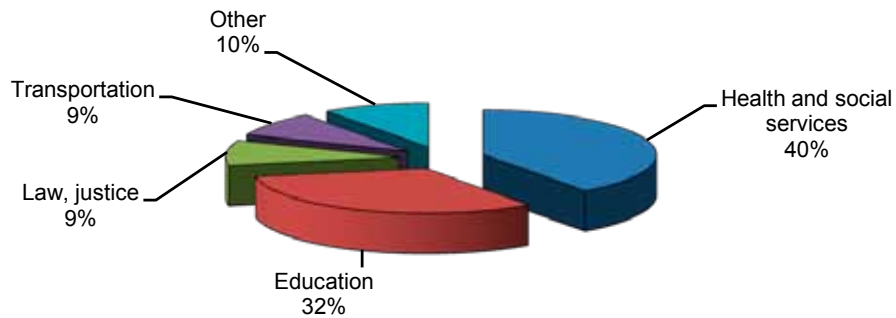
**Changes in Net Assets:**

*Governmental activities* –The net assets increased by \$123.5 million or 3.1%. Approximately 46% of the total revenue came from taxes, while 42% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 10% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were for health and social services (40%) and education (32%) (see chart below). In 2010, governmental activities expenses exceeded program revenues, resulting in the use of \$3.6 billion in general revenues, which were generated to support the government.

The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:

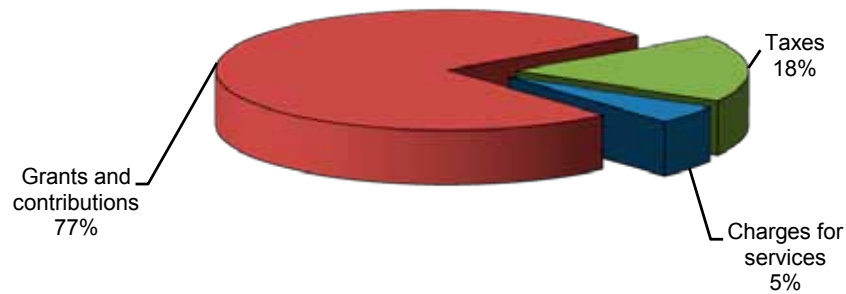


The following table depicts the total program revenues and expenses for each function of governmental activities:

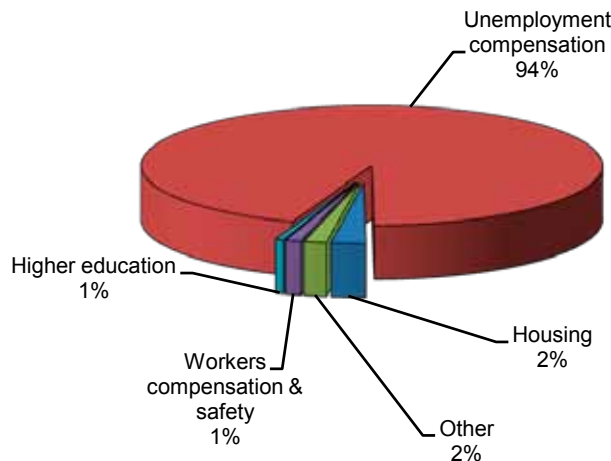
	Expenses	Revenue
General Government	\$ 375,219	\$ 342,565
Health and Social Services	3,017,013	2,075,962
Education	2,430,923	531,317
Law, Justice	690,104	388,214
Regulation	100,380	97,838
Transportation	644,976	481,270
Recreation	161,048	77,742
<b>Total</b>	<b>\$ 7,419,663</b>	<b>\$ 3,994,908</b>

*Business-type activities* –The net assets decreased by \$651 million or 80%. Approximately 18% of the total revenue came from taxes, while 77% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 5% of the total revenues (see chart below). The State’s business-type activities expenses cover a range of services. The largest expenses were for unemployment compensation (94%) and housing (2%) (see chart below). In 2010, business-type activities expenses exceeded program revenues by \$946.2 million. Of this amount, unemployment compensation was the largest, with net expenses of \$982 million, resulting in the use of \$315 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function for business-type activities:

	Expenses	Revenue
Unemployment Compensation	\$ 2,233,382	\$ 1,251,318
Housing	57,342	60,719
Water Loans	14,697	34,076
Workers Compensation	26,084	32,675
Higher Education	14,051	20,378
Other	23,175	23,367
<b>Total</b>	<b>\$ 2,368,731</b>	<b>\$ 1,422,533</b>

Although the net assets of the governmental activities had an increase of \$124 million, the net assets of the business-type activities had a \$651 million decrease, resulting in a decline in the State government's overall financial position. Net assets of the governmental activities increased 3.1% during 2010, however, 2009 declined 12.2%. The net assets of the business-type activities had an 80% decline, on top of a 38% decline in 2009. Both Nevada and the U.S. economy continue to recover from the decline in the housing sector and the collapse of the financial markets. Tax revenues for governmental activities increased in the current fiscal year by 6.4%, compared to a decrease of 9.6% in the prior fiscal year. This increase was mainly a result of an increase in the modified business tax due to a change in law, and changes in other taxes, specifically, an increase in the lodging tax rate and certain ad valorem taxes redirected to the General Fund. However, there was a continued slowdown in gaming, sales, property and transfer taxes. An increase in unemployment claims, mostly related to the drop in construction and leisure/hospitality employment, was another reason for the fall in growth of business-type activities.

## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

### Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.58 billion, a decrease of \$35 million in comparison with the prior year. Approximately 30.8% of this total amount constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior fiscal year, to pay debt service, to be held in permanent trust funds or for a variety of other purposes. The major governmental funds are discussed individually below:

*The General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$234.6 million. The fund balance increased by \$41.7 million during the current fiscal year, which is a 21.6% increase from the prior year. The reasons for this increase are discussed in further detail below.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2010 and 2009 (expressed in thousands). Other financing sources are not included.

<b>General Fund Revenues (expressed in thousands)</b>						
	2010		2009		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 827,681	13.7%	\$ 865,609	16.3%	\$ (37,928)	-4.4%
Sales taxes	870,539	14.5%	953,112	18.0%	(82,573)	-8.7%
Modified business taxes	385,110	6.4%	277,516	5.2%	107,594	38.8%
Insurance premium taxes	233,906	3.9%	238,524	4.5%	(4,618)	-1.9%
Property and transfer taxes	53,315	0.9%	65,922	1.2%	(12,607)	-19.1%
Motor and special fuel taxes	3,016	0.1%	3,135	0.1%	(119)	-3.8%
Intergovernmental	2,708,799	45.0%	2,221,824	41.8%	486,975	21.9%
Other taxes	543,573	9.0%	315,726	5.9%	227,847	72.2%
Licenses, fees and permits	244,507	4.1%	209,250	3.9%	35,257	16.8%
Sales and charges for services	53,333	0.9%	54,304	1.0%	(971)	-1.8%
Interest and investment income	11,657	0.2%	7,606	0.1%	4,051	53.3%
Other revenues	81,500	1.3%	103,979	2.0%	(22,479)	-21.6%
<b>Total revenues</b>	<b>\$ 6,016,936</b>	<b>100.0%</b>	<b>\$ 5,316,507</b>	<b>100.0%</b>	<b>\$ 700,429</b>	<b>13.2%</b>

The total General Fund revenues increased 13.2%. The largest increase in revenue sources was \$487 million or 21.9% in intergovernmental revenue. These are revenues received from the federal government, and the most significant increases were from the stimulus and Medicaid programs. The stimulus program was implemented as a result of the American Recovery and Reinvestment Act (ARRA), which was signed into law on February 17, 2009 by President Obama. The intent of ARRA was to grant additional monies to all the states to stimulate economic growth. During fiscal year 2010 the major stimulus funds received were \$194.6 million for Medicaid and \$256.9 million for stabilization. Of this, 70% has been awarded for fiscal stabilization and entitlements. The State expects to receive more than \$3.16 billion in total stimulus funds from the start of the program in 2009 through 2014. Other increases in General Fund revenue sources were \$107.6 or 38.8% in modified business taxes and \$227.8 million or 72.2% in other taxes. The largest declines in revenue sources were \$82.6 million or 8.7% in sales tax, \$37.9 million or 4.4% in gaming taxes, fees and licenses, and \$12.6 million or 19.1% in property and transfer taxes, all due to the continued slow down of the economy and lingering effects from the collapse of the security and real estate markets.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2010 and 2009 (expressed in thousands). Other financing uses are not included.

<b>General Fund Expenditures (expressed in thousands)</b>						
	2010		2009		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 91,485	1.5%	\$ 97,675	1.7%	\$ (6,190)	-6.3%
Health and social services	2,716,246	44.6%	2,428,459	42.0%	287,787	11.9%
Education and support services	56,712	0.9%	57,077	1.0%	(365)	-0.6%
Law, justice and public safety	462,314	7.6%	450,076	7.8%	12,238	2.7%
Regulation of business	84,885	1.4%	83,253	1.4%	1,632	2.0%
Recreation, resource development	108,135	1.8%	111,828	1.9%	(3,693)	-3.3%
Intergovernmental	2,568,947	42.2%	2,552,842	44.2%	16,105	0.6%
Debt service	1,747	0.0%	1,532	0.0%	215	14.0%
<b>Total expenditures</b>	<b>\$ 6,090,471</b>	<b>100.0%</b>	<b>\$ 5,782,742</b>	<b>100.0%</b>	<b>\$ 307,729</b>	<b>5.3%</b>

The total General Fund expenditures increased 5.3%. Health and social services expenditures increased \$287.8 million or 11.9%. The largest portion of this amount was for Health Care Financing & Policy, Medicaid, food stamps, and energy assistance programs. Intergovernmental expenditures increased \$16.1 million or .6% primarily due to intergovernmental expenditures for education.

*The State Highway Fund* is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance decreased \$38.8 million during the current fiscal year, which is a 12.5% decrease from the prior year. This decrease is primarily due to increased intergovernmental payments. The unreserved fund balance is a negative \$243.3 million and the reserved balance is a positive \$513.9 million.

*The Municipal Bond Bank Fund* is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$14.6 million during the current fiscal year, which is a 4.5% decrease from the prior year. This decrease was primarily due to a decrease in debt service payments received from entities as a result of lower principal balances.

*The Consolidated Bond Interest and Redemption Fund* is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance decreased by \$.8 million during the current fiscal year, which is a .5% decrease from the prior year.

#### **Proprietary Funds:**

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

**Enterprise Funds** – There are three *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund and Water Projects Loans Fund. The combined net assets of the three major funds comprise 81% of the total combined net assets of all enterprise funds. The combined net assets of the enterprise funds decreased by \$651.2 million in 2010. The major enterprise funds are discussed below:

*The Housing Division Fund* provides low interest loans to first-time homebuyers with low or moderate household incomes. The net assets increased by \$3.4 million or 1.9% during the current fiscal year, and the results of operations were down 7% from last year, due to the downturn of the housing market.

*The Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets decreased by \$672 million during the current fiscal year, which is a 182% decrease from the prior year. An increase in unemployment due to the slowdown in the economy and the drop in construction and hospitality/leisure employment resulted in a 67% increase in operating expenses compared to the previous year.

*The Water Projects Loans Fund* issues loans to governmental, as well as private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. Total revenues exceeded expenses and transfers by \$17.9 million during the current fiscal year, for final net assets of \$251.2 million, which is a 7.7% increase from the prior year.



**Internal Service Funds** – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and motor pool in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2010, total internal service fund net assets increased by \$5.6 million, for a final net asset balance of \$54 million. The two largest funds are:

*The Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. The fund had an increase in net assets of \$3.1 million for the year as compared to a decrease in net assets of \$11.9 million in the prior year, with final net assets of \$54.7 million. This year's gain resulted from a 6% increase in insurance premium income.

*The Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit improved by \$4.2 million or 15% during fiscal year 2010, to a total deficit of \$24.1 million. This year's increase from operations was caused primarily by a 30% decrease in claims expense, and a 6% increase in premium income. NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account.

## ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund total sources were \$555 million or 7.1% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount.

The net increase in the General Fund expenditures and other uses budget from original to final was \$738 million. Some of the differences originate because the original budget consists only of budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. Also, non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions.

Increases due to the revisions discussed above were approximately \$923 million. Other budget revisions included: \$253 million decrease in appropriations per AB6 of the 26<sup>th</sup> Special Session of the Nevada Legislature; \$23.7 million decrease for legislatively approved transfer of appropriations to fiscal year 2009; \$38.8 million decrease for legislatively approved transfer of appropriations to fiscal year 2011; and \$130 million increase for legislatively approved transfers from fiscal year 2011.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

The State's capital assets for its governmental and business-type activities as of June 30, 2010, amount to \$6.2 billion, net of accumulated depreciation of \$888 million, leaving a net book value of \$5.3 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. The Department of Transportation conducts a biennial condition assessment of roadways and bridges in odd numbered calendar years. The following table shows the State's policy and the condition level of the roadways and bridges:

**Condition Level of the Roadways**  
**Percentage of roadways with an IRI of less than 80**

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%

**Condition Level of the Bridges**  
**Percentage of substandard bridges**

	2009	2007	2005
	State Policy-maximum percentage	10%	10%
Actual results condition assessment	15%	4%	3%

The substandard condition of bridges, for the most current condition assessment, is the result of a change in bridge reporting and inspection methodologies. The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2010 by \$29.6 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimated, condition levels are expected to continue to meet or exceed the target condition levels, as the most recent condition assessment indicates that the State already exceeds the established benchmarks in the roadway category. The State is considering revising its policy for bridges to allow for the changes in reporting and inspection methodologies. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress during 2010 (expressed in millions):

	<b>Expended by June 30, 2010</b>	<b>Total Budget</b>
High Desert State Prison Phase 5	\$ 48.9	\$ 49.6
SNWCC 300 Bed Expansion	41.9	43.1
Indian Springs Conservation Camp	40.1	40.9
Unified Tax System	34.4	40.5
GSF/Campos Office Building	39.2	39.7
Readiness Center North Las Vegas	1.00	35.8
Housing Units - Pre-Engineered	29.1	29.3
SDCC Housing Unit & Planning	20.2	28.9
Las Vegas Readiness Center	24.2	25.9
Las Vegas Readiness Center - Field Maintenance Shop	-	24.3

The total increase in the State's capital assets for the primary government for the current fiscal year was \$399.1 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$78 million.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

**Debt Administration:**

As of year-end, the State had \$4.8 billion in long-term liabilities outstanding, compared to \$4.3 billion last year, an increase of \$495.2 million or 11.5% during the current fiscal year. This increase was due primarily to the issuance of special obligation bonds.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA+, Aa1 and AA+, respectively. These ratings are an indication of high quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds and certificates of participation issued during the 2010 fiscal year were (expressed in thousands):

General Obligation Capital Improvements	11/17/09A	\$	68,000
General Obligation Capital Improvements and Cultural Affairs and Refunding	11/17/09B		34,990
General Obligation Natural Resources and Refunding	11/17/09C		14,680
General Obligation Open Space, Parks and Cultural Resources	11/17/09D		5,000
General Obligation Open Space, Parks and Natural Resources	11/17/09E		8,240
General Obligation Natural Resources	06/24/10A		4,675
General Obligation Water Refunding	06/24/10B		7,405
COPS Juvenile Treatment Facility Project Refunding	12/10/2009		7,900
Housing Single-Family 2009 Issue B	11/19/2009		22,651
Housing Single-Family 2009 Issue I, Variable	12/28/2009		102,340
Housing Multi-Unit Series A	12/28/2009		24,500

This list of new bonds and certificates of participation does not agree completely with the schedule of additions as seen in Note 8 to the financial statements, due to the inclusion of accreted interest, deferred items and bonds redeemed prior to year-end.

Additional information on the State's long-term debt obligations can be found in Note 8 to the financial statements and in the Statistical Section.

**Requests for Information**

This financial report is designed to provide a general overview of the State of Nevada's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701-4786 or visit our website at: [www.controller.nv.gov](http://www.controller.nv.gov).



**Landsailing at Stateline, NV**

Photo Courtesy of Mark P. Harris  
<http://www.nalsa.org>

**Landsailing at Stateline, NV**

Photo Courtesy of Mark P. Harris

<http://www.nalsa.org>



# BASIC FINANCIAL STATEMENTS



## **Landsailing at Stateline, NV**

Photo Courtesy of Mark P. Harris

<http://www.nalsa.org>

# Statement of Net Assets



NEVADA

June 30, 2010 (Expressed in Thousands)

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Colorado River Commission	Nevada System of Higher Education	
<b>Assets</b>						
Cash and pooled investments	\$ 1,466,778	\$ 159,832	\$ 1,626,610	\$ 4,196	\$ 172,487	
Investments	578,475	804,915	1,383,390	-	785,162	
Internal balances	6,138	(6,138)	-	-	-	
Due from the state	-	-	-	28	91,828	
Accounts receivable	49,674	6,033	55,707	16,851	32,107	
Taxes/assessments receivable	712,860	131,495	844,355	-	-	
Intergovernmental receivables	449,615	1,877	451,492	-	39,397	
Accrued interest and dividends	5,569	13,129	18,698	20	-	
Contracts receivable	-	18,435	18,435	-	-	
Mortgages receivable	-	595,218	595,218	-	-	
Notes/loans receivable	520	23,772	24,292	-	12,359	
Other receivables	17	6	23	-	56,046	
Inventory	13,714	1,452	15,166	-	6,369	
Prepaid expenses	2,614	7	2,621	33,787	-	
Deferred charges	13,454	4,270	17,724	-	-	
<b>Restricted assets:</b>						
Cash	-	-	-	10,950	8,716	
Investments	-	145,793	145,793	-	-	
Other assets	-	4,662	4,662	-	41,738	
<b>Capital assets:</b>						
Land, infrastructure and construction in progress	4,073,686	9,044	4,082,730	-	212,663	
Other capital assets, net	1,256,471	1,942	1,258,413	56,577	1,757,329	
<b>Total assets</b>	<b>8,629,585</b>	<b>1,915,744</b>	<b>10,545,329</b>	<b>122,409</b>	<b>3,216,201</b>	
<b>Liabilities</b>						
Accounts payable	707,760	53,380	761,140	11,399	35,959	
Accrued payroll and related liabilities	55,422	878	56,300	-	29,444	
Intergovernmental payables	92,811	473	93,284	-	7,074	
Interest payable	25,793	9,428	35,221	1,361	11,140	
Due to component units	60,019	29	60,048	-	-	
Contracts/retentions payable	39,000	-	39,000	-	-	
Unearned revenues	350,886	9,724	360,610	587	36,894	
Other liabilities	67,804	4,712	72,516	4,199	24,569	

Long-term liabilities:					
<i>Portion due or payable within one year:</i>					
Reserve for losses	51,467	-	-	51,467	-
Obligations under capital leases	3,232	-	-	3,232	2,469
Compensated absences	70,325	1,197	218	71,522	30,910
Benefits payable	-	10,000	-	10,000	-
Bonds payable	198,717	22,671	-	221,388	20,138
Certificates of participation payable	703	-	-	703	-
Arbitrage rebate liability	195	-	-	195	-
<i>Portion due or payable after one year:</i>					
Federal unemployment advance	-	438,325	-	438,325	-
Reserve for losses	28,169	-	-	28,169	-
Obligations under capital leases	30,614	-	-	30,614	6,244
Compensated absences	33,248	698	91	33,946	15,144
Benefits payable	-	121,505	-	121,505	-
Bonds payable	2,641,008	1,078,404	-	3,719,412	489,720
Certificates of participation payable	56,067	-	-	56,067	-
Due to component unit	31,808	-	-	31,808	-
Arbitrage rebate liability	3,023	64	-	3,087	-
<b>Total liabilities</b>	<b>4,548,071</b>	<b>1,751,488</b>		<b>6,299,559</b>	<b>709,705</b>

<b>Net Assets</b>					
Invested in capital assets, net of related debt	3,622,787	3,615		3,626,402	1,452,875
Restricted for:					
Security of outstanding obligations	-	179,974	-	179,974	-
Workers' compensation	-	32,313	-	32,313	-
Capital projects	-	-	-	-	97,463
Debt service	35,841	-	-	35,841	13,048
Education and support services	3,936	-	-	3,936	-
Transportation	260,220	-	-	260,220	-
Recreation and resource development	52,849	251,159	-	304,008	-
Law, justice and public safety	11,104	-	-	11,104	-
Health and social services	8,580	-	-	8,580	-
Regulation of business	9,704	900	-	10,604	-
Municipal securities	1,353	-	-	1,353	-
Scholarships	-	-	-	-	240,258
Loans	-	-	-	-	7,412
Operations and maintenance	-	-	-	-	-
Funds held as permanent investments:					
Nonexpendable	299,919	-	-	299,919	265,604
Expendable	20	-	-	20	-
Unrestricted (deficit)	(224,799)	(303,705)		(528,504)	429,836
<b>Total net assets</b>	<b>\$ 4,081,514</b>	<b>\$ 164,256</b>		<b>\$ 4,245,770</b>	<b>\$ 2,506,496</b>

The notes to the financial statements are an integral part of this statement.



# Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2010 (Expressed in Thousands)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets					
					Primary Government				Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Colorado River Commission	Nevada System of Higher Education	
	\$ 375,219	\$ 285,927	\$ 56,617	\$ 21	\$ (32,654)	\$ -	\$ (32,654)	\$ -	\$ -	
General government	3,017,013	131,408	1,944,554	-	(941,051)	-	(941,051)	-	-	
Health and social services	2,430,923	3,351	527,966	-	(1,899,606)	-	(1,899,606)	-	-	
Education and support services	690,104	236,004	149,451	2,759	(301,890)	-	(301,890)	-	-	
Law, justice and public safety	100,380	67,498	30,340	-	(2,542)	-	(2,542)	-	-	
Regulation of business	644,976	36,544	391,714	53,012	(163,706)	-	(163,706)	-	-	
Transportation	161,048	36,296	40,519	927	(83,306)	-	(83,306)	-	-	
Recreation and resource development	132,238	-	825	-	(131,413)	-	(131,413)	-	-	
Interest on long-term debt	1,448	-	-	-	(1,448)	-	(1,448)	-	-	
Unallocated depreciation	7,553,349	797,028	3,141,986	56,719	(3,557,616)	-	(3,557,616)	-	-	
Total governmental activities	2,233,382	1,669	1,249,649	-	-	(982,064)	(982,064)	-	-	
Business-type activities:	57,342	23,693	37,026	-	-	3,377	3,377	-	-	
Unemployment insurance	14,697	8,409	25,667	-	-	19,379	19,379	-	-	
Housing	26,084	30,144	2,531	-	-	6,591	6,591	-	-	
Water loans	14,051	89	20,289	-	-	6,327	6,327	-	-	
Workers' compensation and safety	23,175	23,352	15	-	-	192	192	-	-	
Higher education	2,368,731	87,356	1,335,177	-	-	(946,198)	(946,198)	-	-	
Other	\$ 9,922,080	\$ 884,384	\$ 4,477,163	\$ 56,719	(3,557,616)	(946,198)	(4,503,814)	-	-	
Total business-type activities	\$ 85,137	\$ 84,336	\$ -	\$ -	-	-	-	(801)	-	
Total primary government	1,517,039	524,767	600,318	6,892	-	-	-	-	(385,062)	
Component Units	\$ 1,602,176	\$ 609,103	\$ 600,318	\$ 6,892	-	-	-	(801)	(385,062)	
Colorado River Commission										
Nevada System of Higher Education										
Total component units										

General revenues:					
Taxes:					
Gaming	810,758	-	-	810,758	-
Sales and use	784,283	-	-	784,283	-
Modified business	381,300	-	-	381,300	-
Insurance premium	233,280	-	-	233,280	-
Property and transfer	53,315	-	-	53,315	-
Motor and special fuel	3,016	-	-	3,016	-
Other	509,912	-	-	509,912	-
Restricted for unemployment compensation:					
Other taxes	-	314,657	-	314,657	-
Restricted for educational purposes:					
Sales and use taxes	86,191	-	-	86,191	-
Gaming taxes	33,712	-	-	33,712	-
Restricted for debt service purposes:					
Property and transfer taxes	186,714	-	-	186,714	-
Motor and special fuel taxes	89,298	-	-	89,298	-
Other	22,145	-	-	22,145	-
Restricted for recreation and resource development purposes:					
Other taxes	27,040	-	-	27,040	-
Restricted for health and social services purposes:					
Property and transfer taxes	26,849	-	-	26,849	-
Other taxes	39,405	-	-	39,405	-
Restricted for transportation purposes:					
Motor and special fuel taxes	176,240	-	-	176,240	-
Other taxes	40,503	-	-	40,503	-
Restricted for regulation purposes:					
Other taxes	3,974	-	-	3,974	-
Tobacco settlement income	37,993	-	-	37,993	-
Unrestricted investment earnings	(1,246)	-	50	(1,246)	84,446
Other general revenues	108,886	-	626	108,886	-
Contributions to permanent funds	8,165	-	-	8,165	20,009
Payments from State of Nevada	-	-	-	-	458,616
Special item - abandonment loss	-	-	(370)	-	-
Transfers	19,361	(19,361)	-	-	-
Total general revenues, special items, and transfers	3,681,094	295,296	306	3,976,390	563,071
Change in net assets	123,478	(650,902)	(495)	(527,424)	178,009
Net assets - beginning (as restated)	3,958,036	815,158	8,270	4,773,194	2,328,487
<b>Net assets - ending</b>	<b>\$ 4,081,514</b>	<b>\$ 164,256</b>	<b>\$ 7,775</b>	<b>\$ 4,245,770</b>	<b>\$ 2,506,496</b>

The notes to the financial statements are an integral part of this statement.

# Balance Sheet Governmental Funds

June 30, 2010

Assets	General Fund	State Highway	Municipal Bond Bank
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 513,480,030	\$ 279,433,088	\$ 345,722
Cash in custody of other officials	2,821,631	180,406	-
Investments	7,826,340	-	311,565,000
<i>Receivables:</i>			
Accounts receivable	18,365,182	4,434,281	-
Taxes receivable	663,464,529	43,662,555	-
Intergovernmental receivables	277,212,539	24,454,314	-
Accrued interest and dividends	2,804,706	-	1,420,588
Notes/loans receivable	386,735	-	-
Other receivables	15,830	-	-
Due from other funds	42,822,559	2,994,496	3,966
Due from fiduciary funds	110,329	-	-
Due from component units	539,989	-	-
Inventory	-	12,308,833	-
Advances to other funds	7,325,057	-	-
Prepaid items	1,677,341	11,800	-
<b>Total assets</b>	<b>\$ 1,538,852,797</b>	<b>\$ 367,479,773</b>	<b>\$ 313,335,276</b>
<b>Liabilities and Fund Balances</b>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 286,137,409	\$ 26,069,564	\$ -
Accrued payroll and related liabilities	36,308,556	13,948,612	-
Intergovernmental payables	83,017,970	7,758,265	-
Interest payable	-	-	-
Contracts/retentions payable	503,898	25,978,361	-
Due to other funds	69,270,886	2,193,276	417,731
Due to fiduciary funds	369,581,473	732,504	-
Due to component units	9,487,211	209,125	-
Deferred revenues	383,986,756	18,741,421	1,421,203
Bonds payable	-	-	-
Other liabilities	66,000,588	1,249,361	-
<b>Total liabilities</b>	<b>1,304,294,747</b>	<b>96,880,489</b>	<b>1,838,934</b>
<b>Fund balances:</b>			
<i>Reserved:</i>			
Encumbrances and contracts	3,073,785	501,570,976	-
Inventories	-	12,308,833	-
Advances	7,325,057	-	-
Funds held as permanent investments	-	-	-
Fiscal emergency	-	-	-
Debt service	-	-	-
Other	2,064,076	11,800	-
Unreserved, designated for balances forward	219,988,894	-	-
Unreserved, designated for approved capital projects	2,106,238	-	-
<i>Unreserved, designated, reported in nonmajor:</i>			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Unreserved, undesignated	-	(243,292,325)	311,496,342
<i>Unreserved, undesignated, reported in nonmajor:</i>			
Special revenue funds	-	-	-
Permanent funds	-	-	-
<b>Total fund balances</b>	<b>234,558,050</b>	<b>270,599,284</b>	<b>311,496,342</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,538,852,797</b>	<b>\$ 367,479,773</b>	<b>\$ 313,335,276</b>

The notes to the financial statements are an integral part of this statement.



Consolidated Bond Interest and Redemption	Other Governmental Funds	Total Governmental Funds
\$ 161,614,681	\$ 346,152,335	\$ 1,301,025,856
-	43,137,649	46,139,686
-	259,083,450	578,474,790
-	21,634,031	44,433,494
-	5,733,304	712,860,388
132,258,124	9,430,573	443,355,550
-	1,343,250	5,568,544
-	23,069	409,804
-	1,000	16,830
4,753,143	66,078,682	116,652,846
-	422,492	532,821
5,775,000	86,000	6,400,989
-	1,125,257	13,434,090
1,506,366	-	8,831,423
-	98,629	1,787,770
<u>\$ 305,907,314</u>	<u>\$ 754,349,721</u>	<u>\$ 3,279,924,881</u>
\$ 74,421	\$ 12,158,207	\$ 324,439,601
-	3,868,250	54,125,418
4,234	1,990,817	92,771,286
3,090,091	-	3,090,091
-	12,517,964	39,000,223
5,096,665	43,540,671	120,519,229
-	128,588	370,442,565
-	58,810,153	68,506,489
137,261,414	21,422,377	562,833,171
360,000	-	360,000
-	553,932	67,803,881
<u>145,886,825</u>	<u>154,990,959</u>	<u>1,703,891,954</u>
-	22,543,073	527,187,834
-	1,125,257	13,434,090
1,506,366	-	8,831,423
-	299,919,132	299,919,132
-	41,321,014	41,321,014
158,514,123	35,840,821	194,354,944
-	3,383,938	5,459,814
-	-	219,988,894
-	-	2,106,238
-	1,200,000	1,200,000
-	59,943,263	59,943,263
-	-	68,204,017
-	134,062,087	134,062,087
-	20,177	20,177
<u>160,020,489</u>	<u>599,358,762</u>	<u>1,576,032,927</u>
<u>\$ 305,907,314</u>	<u>\$ 754,349,721</u>	<u>\$ 3,279,924,881</u>

**Horse Showing in Minden, NV**  
Photo Courtesy of Brenda Laird



# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets



NEVADA

June 30, 2010

**Total fund balances - governmental funds** \$ 1,576,032,927

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 138,205,139	
Construction in progress	178,010,275	
Infrastructure assets	3,164,498,164	
Rights-of-way	592,841,789	
Buildings	1,477,385,017	
Improvements other than buildings	113,730,011	
Furniture and equipment	322,278,777	
Software costs	136,534,764	
Accumulated depreciation/amortization	(819,957,767)	
<b>Total capital assets</b>		<b>5,303,526,169</b>

Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 212,045,613

Intergovernmental receivable not providing current resources. 221,045

Judicial Retirement System of Nevada has been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a current available resource and is not reported in the funds. 10,002

Amounts due to component unit for bonds authorized to be issued are not reported in the funds as they are not due and payable. (31,808,146)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 53,941,028

The deferred loss on early retirement of debt is reported as a deferred charge on the statement of net assets and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less. 56,428

Certain bond costs are reported as a deferred charge on the statement of net assets and are amortized over the life of the debt. 13,397,723

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(2,831,548,535)	
Accrued interest on bonds	(22,702,568)	
Arbitrage rebate liability	(3,218,353)	
Certificates of participation	(56,769,427)	
Capital leases	(31,278,680)	
Compensated absences	(100,390,896)	
<b>Total long-term liabilities</b>		<b>(3,045,908,459)</b>

**Net assets of governmental activities** \$ 4,081,514,330

The notes to the financial statements are an integral part of this statement.

# Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Fiscal Year Ended June 30, 2010

	General Fund	State Highway	Municipal Bond Bank
<b>Revenues</b>			
Gaming taxes, fees, licenses	\$ 827,680,915	\$ -	\$ -
Sales taxes	870,539,400	-	-
Modified business taxes	385,109,788	-	-
Insurance premium taxes	233,905,463	-	-
Property and transfer taxes	53,315,435	-	-
Motor and special fuel taxes	3,016,433	176,239,691	-
Other taxes	543,572,499	36,836,963	-
Intergovernmental	2,708,798,531	456,360,042	-
Licenses, fees and permits	244,507,249	176,973,817	-
Sales and charges for services	53,333,461	14,269,289	-
Interest and investment income	11,656,783	1,177,073	15,982,947
Tobacco settlement income	-	-	-
Land sales	-	-	-
Other	81,500,177	17,208,658	-
<b>Total revenues</b>	<b>6,016,936,134</b>	<b>879,065,533</b>	<b>15,982,947</b>
<b>Expenditures</b>			
<i>Current:</i>			
General government	91,484,990	-	-
Health and social services	2,716,246,448	-	-
Education and support services	56,711,860	-	-
Law, justice and public safety	462,313,820	155,251,120	-
Regulation of business	84,884,651	-	-
Transportation	-	691,931,012	-
Recreation and resource development	108,134,772	-	-
Intergovernmental	2,568,947,426	58,526,718	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	933,089	99,801	-
Interest, fiscal charges	697,681	10,544	-
Debt issuance costs	115,962	-	-
<b>Total expenditures</b>	<b>6,090,470,699</b>	<b>905,819,195</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	<b>(73,534,565)</b>	<b>(26,753,662)</b>	<b>15,982,947</b>
<b>Other Financing Sources (Uses)</b>			
Capital leases	18,209,075	-	-
Sale of general obligation bonds	15,975,709	-	-
Sale of general obligation refunding bonds	-	-	-
Premium on general obligation bonds	663,275	-	-
Payment to refunded bond agent	-	-	-
Sale of refunding certificates of participation	-	-	-
Premium on certificates of participation	-	-	-
Payment to refunded certificates of participation agent	-	-	-
Sale of capital assets	70,558	15,515	-
Transfers in	191,822,884	1,784,992	-
Transfers out	(111,470,972)	(13,840,542)	(30,609,062)
<b>Total other financing sources (uses)</b>	<b>115,270,529</b>	<b>(12,040,035)</b>	<b>(30,609,062)</b>
Net change in fund balances	41,735,964	(38,793,697)	(14,626,115)
Fund balances, July 1	192,822,086	309,392,981	326,122,457
<b>Fund balances, June 30</b>	<b>\$ 234,558,050</b>	<b>\$ 270,599,284</b>	<b>\$ 311,496,342</b>

The notes to the financial statements are an integral part of this statement.



Consolidated Bond Interest and Redemption	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 14,678,019	\$ 842,358,934
-	-	870,539,400
-	-	385,109,788
-	-	233,905,463
186,714,280	26,848,669	266,878,384
-	89,297,677	268,553,801
-	40,133,870	620,543,332
8,472,085	99,635,725	3,273,266,383
-	31,356,427	452,837,493
191,356	16,628,028	84,422,134
(284,453)	9,322,931	37,855,281
-	41,962,948	41,962,948
-	964,965	964,965
-	14,019,331	112,728,166
<u>195,093,268</u>	<u>384,848,590</u>	<u>7,491,926,472</u>
257,346	46,251,608	137,993,944
-	116,958,029	2,833,204,477
-	484,527	57,196,387
-	16,325,234	633,890,174
-	22,260,041	107,144,692
-	-	691,931,012
-	22,665,407	130,800,179
389,769	76,825,557	2,704,689,470
-	59,520,431	59,520,431
121,720,000	54,229,265	176,982,155
105,674,261	34,112,485	140,494,971
832,378	785,939	1,734,279
<u>228,873,754</u>	<u>450,418,523</u>	<u>7,675,582,171</u>
<u>(33,780,486)</u>	<u>(65,569,933)</u>	<u>(183,655,699)</u>
-	-	18,209,075
597,216	92,670,837	109,243,762
33,746,240	-	33,746,240
2,166,174	1,098,902	3,928,351
(35,677,139)	-	(35,677,139)
-	7,900,000	7,900,000
-	742,775	742,775
-	(8,465,569)	(8,465,569)
-	5,315	91,388
47,195,511	117,309,241	358,112,628
(15,000,000)	(168,195,235)	(339,115,811)
<u>33,028,002</u>	<u>43,066,266</u>	<u>148,715,700</u>
(752,484)	(22,503,667)	(34,939,999)
160,772,973	621,862,429	1,610,972,926
<u>\$ 160,020,489</u>	<u>\$ 599,358,762</u>	<u>\$ 1,576,032,927</u>



**ATV Offroading at Sand Mountain, NV**  
Photo Courtesy of Nevada Commission on Tourism



# Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2010

<b>Net change in fund balances - total governmental funds</b>		<b>\$ (34,939,999)</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	\$209,722,823	
Depreciation expense	<u>(70,874,342)</u>	
Excess of capital outlay over depreciation expense		138,848,481
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(142,990,002)	
Refunding certificates of participation issued	(7,900,000)	
Premiums on debt issued	<u>(4,671,126)</u>	
Total bond proceeds		(155,561,128)
Some capital additions were financed through capital leases. In the governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		
		(18,209,075)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:		
Bond principal retirement	165,034,096	
Certificates of participation retirement	1,370,000	
Payments to the bond refunding agent	44,142,708	
Capital lease payments	<u>1,036,746</u>	
Total long-term debt repayment		211,583,550
Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.		
		5,325,208
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds.		
		2,515,457
Revenue in the statement of activities that does not provide current financial resources.		
		221,045
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		
		(2,383,167)
In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.		
		1,734,279
Amortization of bond issuance costs is reported as an expense for the statement of activities.		
		(1,020,794)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		
		(791,906)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		
		10,119,473
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in pension obligation	10,002	
Decrease in accrued interest	1,354,708	
Increase in compensated absences	(875,600)	
Increase in arbitrage liability	(2,643,787)	
Increase in long term due to component unit	<u>(31,808,146)</u>	
Total additional expenditures		<u>(33,962,823)</u>
<b>Change in net assets of governmental activities</b>		<b>\$ 123,478,601</b>

The notes to the financial statements are an integral part of this statement.

# Statement of Net Assets Proprietary Funds

June 30, 2010

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
<b>Assets</b>						
<b>Current assets:</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 251,672	\$ -	\$ 76,521,995	\$ 44,767,356	\$ 121,541,023	\$119,612,618
Cash in custody of other officials	545,419	36,728,044	-	1,017,130	38,290,593	100
Investments	159,404,615	-	-	106,364,432	265,769,047	-
<i>Receivables:</i>						
Accounts receivable	-	-	-	6,025,527	6,025,527	1,983,427
Assessments receivable	-	131,495,322	-	-	131,495,322	-
Intergovernmental receivables	-	-	1,492,751	384,554	1,877,305	6,038,407
Contracts receivable	-	-	-	4,400,000	4,400,000	-
Mortgages receivable	10,898,920	-	-	-	10,898,920	-
Accrued interest and dividends	9,056,322	-	3,557,468	515,805	13,129,595	-
Notes/loans receivable	-	-	-	-	-	10,000
Trades pending settlement	-	-	-	5,609	5,609	-
Due from other funds	30,898	-	251,541	857,994	1,140,433	6,360,108
Due from fiduciary funds	-	-	-	7,177	7,177	2,723,881
Due from component units	-	-	-	533	533	2,106,221
Inventory	-	-	-	1,451,733	1,451,733	279,585
Prepaid expenses	-	-	-	6,516	6,516	816,626
Deferred outflow of resources	4,647,460	-	-	-	4,647,460	-
<i>Restricted assets:</i>						
Investments	118,335,720	-	-	-	118,335,720	-
<b>Total current assets</b>	<b>303,171,026</b>	<b>168,223,366</b>	<b>81,823,755</b>	<b>165,804,366</b>	<b>719,022,513</b>	<b>139,930,973</b>
<b>Noncurrent assets:</b>						
Investments	292,306,742	-	246,839,652	-	539,146,394	-
<i>Receivables:</i>						
Contracts receivable	-	-	-	14,035,024	14,035,024	-
Mortgages receivable	584,318,629	-	-	-	584,318,629	-
Notes/loans receivable	-	-	23,771,807	-	23,771,807	100,000
Deferred charges	2,973,093	-	1,202,375	94,475	4,269,943	-
<i>Restricted assets:</i>						
Investments	27,456,817	-	-	-	27,456,817	-
Other assets	-	-	-	15,000	15,000	-
<i>Capital assets:</i>						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	22,078,621
Improvements other than buildings	-	-	-	630,647	630,647	713,667
Furniture and equipment	373,523	-	35,280	5,194,663	5,603,466	48,634,512
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	8,476,095	8,476,095	-
Less accumulated depreciation/ amortization	(357,527)	-	(34,135)	(7,288,931)	(7,680,593)	(60,250,222)
<b>Total noncurrent assets</b>	<b>907,071,277</b>	<b>-</b>	<b>271,814,979</b>	<b>25,113,625</b>	<b>1,203,999,881</b>	<b>26,731,342</b>
<b>Total assets</b>	<b>1,210,242,303</b>	<b>168,223,366</b>	<b>353,638,734</b>	<b>190,917,991</b>	<b>1,923,022,394</b>	<b>166,662,315</b>



Enterprise Funds

	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
<b>Liabilities</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 19,708,882	\$ 31,590,395	\$ 76,892	\$ 1,831,168	\$ 53,207,337	\$ 7,283,029
Accrued payroll and related liabilities	87,034	-	15,317	775,753	878,104	1,296,601
Interest payable	7,543,179	-	1,855,647	29,038	9,427,864	-
Intergovernmental payables	-	-	458,920	13,979	472,899	39,751
Trades pending settlement	-	-	-	53,393	53,393	-
Bank overdraft	-	-	-	-	-	5,580,929
Due to other funds	3,686	216,841	369,049	1,413,260	2,002,836	1,631,322
Due to fiduciary funds	-	-	82,924	89,707	172,631	14,755
Due to component units	-	-	-	29,904	29,904	19,171
Unearned revenues	-	-	-	9,723,495	9,723,495	98,151
Derivative instrument - interest rate swap	4,647,460	-	-	-	4,647,460	-
Other liabilities	-	-	-	11,509	11,509	-
<i>Short-term portion of long-term liabilities:</i>						
Reserve for losses	-	-	-	-	-	51,466,753
Compensated absences	163,450	-	28,054	1,005,788	1,197,292	2,050,229
Benefits payable	-	-	-	10,000,000	10,000,000	-
Bonds payable	14,256,000	-	8,272,806	141,710	22,670,516	513,323
Obligations under capital leases	-	-	-	-	-	1,309,397
<b>Total current liabilities</b>	<b>46,409,691</b>	<b>31,807,236</b>	<b>11,159,609</b>	<b>25,118,704</b>	<b>114,495,240</b>	<b>71,303,411</b>
<i>Noncurrent liabilities:</i>						
Advances from funds	-	-	-	5,351,256	5,351,256	3,480,167
Federal Unemployment Advance	-	438,325,470	-	-	438,325,470	-
Reserve for losses	-	-	-	-	-	28,168,951
Compensated absences	136,141	-	16,285	544,889	697,315	1,132,274
Benefits payable	-	-	-	121,505,000	121,505,000	-
Bonds payable	979,936,615	-	91,238,438	7,229,236	1,078,404,289	7,302,864
Obligations under capital leases	-	-	-	-	-	1,257,774
Arbitrage rebate liability	-	-	63,962	-	63,962	-
<b>Total noncurrent liabilities</b>	<b>980,072,756</b>	<b>438,325,470</b>	<b>91,318,685</b>	<b>134,630,381</b>	<b>1,644,347,292</b>	<b>41,342,030</b>
<b>Total liabilities</b>	<b>1,026,482,447</b>	<b>470,132,706</b>	<b>102,478,294</b>	<b>159,749,085</b>	<b>1,758,842,532</b>	<b>112,645,441</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	15,996	-	1,145	3,598,180	3,615,321	16,451,309
<i>Restricted for:</i>						
Security of outstanding obligations	179,974,459	-	-	-	179,974,459	-
Workers' compensation	-	-	-	32,312,658	32,312,658	-
Revolving loans	-	-	251,159,295	-	251,159,295	-
Regulation of business	-	-	-	900,368	900,368	-
Unrestricted (deficit)	3,769,401	(301,909,340)	-	(5,642,300)	(303,782,239)	37,565,565
<b>Total net assets</b>	<b>\$ 183,759,856</b>	<b>\$ (301,909,340)</b>	<b>\$251,160,440</b>	<b>\$ 31,168,906</b>	<b>164,179,862</b>	<b>\$ 54,016,874</b>

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

Net assets of business-type activities

75,846

\$ 164,255,708

The notes to the financial statements are an integral part of this statement.

**Kayakers at Lake Mead, NV**

Photo Courtesy of Nevada Commission on Tourism



# Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds



NEVADA

For the Fiscal Year Ended June 30, 2010

Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
<b>Operating Revenues</b>						
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,196,083
Sales	-	-	-	13,661,341	13,661,341	2,768,661
Assessments	-	314,656,925	-	23,906,566	338,563,491	-
Charges for services	-	-	137,914	13,894,374	14,032,288	42,083,186
Rental income	-	-	-	165,936	165,936	20,091,594
Interest income on loans/notes	19,329,081	-	8,268,637	-	27,597,718	-
Federal government	-	1,246,970,205	25,988,385	-	1,272,958,590	-
Licenses, fees and permits	-	-	-	3,258,378	3,258,378	-
Fines	-	-	-	2,859,844	2,859,844	-
Other	4,363,870	1,669,396	2,562	3,967,470	10,003,298	4,205,076
<b>Total operating revenues</b>	<b>23,692,951</b>	<b>1,563,296,526</b>	<b>34,397,498</b>	<b>61,713,909</b>	<b>1,683,100,884</b>	<b>436,344,600</b>
<b>Operating Expenses</b>						
Salaries and benefits	2,004,427	-	435,220	28,278,903	30,718,550	32,583,902
Operating	3,970,475	-	9,764,779	12,198,113	25,933,367	35,386,842
Claims and benefits expense	-	2,233,381,579	-	20,360,741	2,253,742,320	251,937,071
Interest on bonds payable	33,236,040	-	-	-	33,236,040	-
Materials or supplies used	-	-	-	2,094,412	2,094,412	1,103,068
Servicers' fees	123,652	-	-	-	123,652	-
Depreciation	17,989	-	1,476	441,686	461,151	5,591,796
Amortization	-	-	-	-	-	857,853
Bond issuance costs amortization	449,839	-	160,417	-	610,256	-
Insurance premiums	-	-	-	-	-	103,990,195
<b>Total operating expenses</b>	<b>39,802,422</b>	<b>2,233,381,579</b>	<b>10,361,892</b>	<b>63,373,855</b>	<b>2,346,919,748</b>	<b>431,450,727</b>
Operating income (loss)	(16,109,471)	(670,085,053)	24,035,606	(1,659,946)	(663,818,864)	4,893,873
<b>Nonoperating Revenues (Expenses)</b>						
Interest and investment income	19,268,879	2,678,819	(321,287)	12,342,332	33,968,743	216,544
Interest expense	-	-	(4,345,698)	(166,000)	(4,511,698)	(118,480)
Bond issuance costs amortization	-	-	-	(3,446)	(3,446)	-
Federal grant revenue	17,756,895	-	-	2,359,495	20,116,390	-
Federal grant expense	(17,557,436)	-	-	-	(17,557,436)	-
Gain (loss) on disposal of assets	-	-	-	3,510	3,510	222,189
Arbitrage rebate	-	-	8,200	-	8,200	-
<b>Total nonoperating revenues (expenses)</b>	<b>19,468,338</b>	<b>2,678,819</b>	<b>(4,658,785)</b>	<b>14,535,891</b>	<b>32,024,263</b>	<b>320,253</b>
Income (loss) before transfers	3,358,867	(667,406,234)	19,376,821	12,875,945	(631,794,601)	5,214,126
<b>Transfers</b>						
Transfers in	-	-	-	429,293	429,293	364,100
Transfers out	-	(4,780,041)	(1,500,657)	(13,509,513)	(19,790,211)	-
Change in net assets	3,358,867	(672,186,275)	17,876,164	(204,275)	(651,155,519)	5,578,226
Net assets, July 1 (as restated)	180,400,989	370,276,935	233,284,276	31,373,181		48,438,648
<b>Net assets, June 30</b>	<b>\$ 183,759,856</b>	<b>\$ (301,909,340)</b>	<b>\$251,160,440</b>	<b>\$31,168,906</b>		<b>\$ 54,016,874</b>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

Change in net assets of business-type activities 253,018  
\$ (650,902,501)

The notes to the financial statements are an integral part of this statement.

# Statement of Cash Flows Proprietary Funds

*For the Fiscal Year Ended June 30, 2010*

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 12,856,524	\$ 305,009,527	\$ 140,604	\$ 56,808,959	\$ 374,815,614	\$ 91,921,826
Receipts for interfund services provided	-	2,995,134	-	3,063,805	6,058,939	267,336,400
Receipts from component units	-	-	-	-	-	76,624,627
Receipts of principal on loans/notes	17,655,701	-	21,691,824	-	39,347,525	5,000
Receipts of interest on loans/notes	19,894,622	-	7,578,693	-	27,473,315	-
Receipts from federal government	-	1,246,970,205	25,358,348	-	1,272,328,553	-
Payments to suppliers, other governments and beneficiaries	(7,310,886)	(2,240,598,197)	(9,105,635)	(18,299,308)	(2,275,314,026)	(382,028,300)
Payments to employees	(1,850,809)	-	(454,701)	(28,187,987)	(30,493,497)	(32,610,580)
Payments for interfund services	(196,382)	-	(130,239)	(5,222,771)	(5,549,392)	(16,616,000)
Payments to component units	-	-	-	(3,507,467)	(3,507,467)	(171,973)
Purchase of loans and notes	(26,931,154)	-	(19,282,688)	-	(46,213,842)	-
Net cash provided by (used for) operating activities	14,117,616	(685,623,331)	25,796,206	4,655,231	(641,054,278)	4,461,000
<b>Cash flows from noncapital financing activities</b>						
Grant receipts	17,756,895	-	-	2,542,286	20,299,181	-
Advances from federal government	-	438,325,470	-	-	438,325,470	-
Proceeds from sale of bonds	149,491,400	-	-	-	149,491,400	-
Transfers and advances from other funds	-	-	-	5,433,829	5,433,829	2,446,412
Principal paid on noncapital debt	(67,081,785)	-	(7,860,000)	-	(74,941,785)	-
Interest paid on noncapital debt	(33,581,352)	-	(4,639,201)	-	(38,220,553)	-
Transfers and advances to other funds	-	(4,709,718)	(1,667,734)	(13,905,501)	(20,282,953)	-
Other noncapital financing activities	(18,190,433)	-	-	-	(18,190,433)	(40)
Net cash provided by (used for) noncapital financing activities	48,394,725	433,615,752	(14,166,935)	(5,929,386)	461,914,156	2,446,372
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sale of capital assets	-	-	-	3,510	3,510	226,934
Purchase of capital assets	-	-	-	(298,920)	(298,920)	(2,038,167)
Principal paid on capital debt	-	-	-	(150,090)	(150,090)	(3,694,234)
Interest paid on capital debt	-	-	-	(353,480)	(353,480)	(118,440)
Payments on construction projects	-	-	-	(1,008,466)	(1,008,466)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	(1,807,446)	(1,807,446)	(5,623,907)
<b>Cash flows from investing activities</b>						
Proceeds from sale of investments	470,545,136	-	-	124,427,620	594,972,756	-
Purchase of investments	(551,915,711)	-	-	(136,243,404)	(688,159,115)	-
Interest, dividends and gains (losses)	19,447,636	6,318,572	(36,125)	3,122,979	28,853,062	593,449
Net cash provided by (used for) investing activities	(61,922,939)	6,318,572	(36,125)	(8,692,805)	(64,333,297)	593,449
Net increase (decrease) in cash	589,402	(245,689,007)	11,593,146	(11,774,406)	(245,280,865)	1,876,914
Cash and cash equivalents, July 1	207,689	282,417,051	64,928,849	57,558,892	405,112,481	117,735,804
<b>Cash and cash equivalents, June 30</b>	<b>\$ 797,091</b>	<b>\$ 36,728,044</b>	<b>\$ 76,521,995</b>	<b>\$ 45,784,486</b>	<b>\$ 159,831,616</b>	<b>\$ 119,612,718</b>

	Enterprise Funds				Totals	Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds		
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>						
Operating income (loss)	\$ (16,109,471)	\$ (670,085,053)	\$24,035,606	\$ (1,659,946)	\$ (663,818,864)	\$ 4,893,873
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>						
Depreciation	17,989	-	1,476	441,686	461,151	5,591,796
Amortization	-	-	160,417	-	160,417	857,853
Bond issuance costs amortization	449,839	-	-	-	449,839	-
Interest on bonds payable	33,236,040	-	-	-	33,236,040	-
Decrease (increase) in loans and notes receivable	(8,501,496)	-	2,409,136	-	(6,092,360)	5,000
Decrease (increase) in accrued interest and receivables	20,442	(8,321,660)	(1,319,853)	(2,495,082)	(12,116,153)	(540,118)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	672,335	672,335	(636,684)
Increase (decrease) in accounts payable, accruals, other liabilities	5,004,273	(7,216,618)	509,424	7,696,238	5,993,317	(5,710,720)
Total adjustments	30,227,087	(15,538,278)	1,760,600	6,315,177	22,764,586	(432,873)
Net cash provided by (used for) operating activities	\$ 14,117,616	\$ (685,623,331)	\$25,796,206	\$ 4,655,231	\$ (641,054,278)	\$ 4,461,000
<b>Noncash investing, capital and financing activities</b>						
Gain (loss) on disposal of assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,656
Increase (decrease) in fair value of investments	21,917	-	(901,188)	9,374,278	8,495,007	(200,571)

The notes to the financial statements are an integral part of this statement.



# Statement of Fiduciary Net Assets Fiduciary Funds



NEVADA

June 30, 2010

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 29,257,133	\$ 73	\$ 4,773,745	\$ 113,502,269
Cash in custody of other officials	390,365,603	5,969,877	5,320,660	83,989,850
<i>Investments:</i>				
Investments	760,739	963,410,224	5,885,633,932	175,661,293
Fixed income securities	6,199,713,956	-	-	-
Marketable equity securities	7,862,126,972	-	-	-
International securities	5,072,204,652	-	-	-
Mortgage loans	4,378	-	-	-
Real estate	853,999,874	-	-	-
Alternative investments	575,344,723	-	-	-
Collateral on loaned securities	2,942,675,281	-	-	-
<i>Receivables:</i>				
Accrued interest and dividends	97,638,614	1,648,334	7,000	-
Taxes receivable	-	-	-	10,503,877
Trades pending settlement	251,977,372	-	11,666,158	-
Intergovernmental receivables	89,183,954	-	65,333	-
Contributions receivable	-	-	4,710,000	-
Other receivables	-	-	-	33,837,971
Due from other funds	1,253,180	82,924	173,747	369,120,100
Due from fiduciary funds	17,964,909	-	-	11,206,802
Due from component unit	1,312,085	-	-	-
Other assets	2,053,010	-	-	-
Furniture and equipment	35,321,293	-	-	-
Accumulated depreciation	(31,031,992)	-	-	-
<b>Total assets</b>	<b>24,392,125,736</b>	<b>971,111,432</b>	<b>5,912,350,575</b>	<b>797,822,162</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	11,222,200	147,579	1,896,594	-
Accrued payroll and related liabilities	-	-	-	43,901
Intergovernmental payables	-	8,973	13,474	447,142,988
Redemptions payable	-	-	1,954,521	-
Trades pending settlement	372,694,790	5,475,724	15,222,321	-
Bank overdraft	-	-	4,000	-
Obligations under securities lending	3,021,077,050	-	-	-
Due to other funds	2,723,693	454	539,732	-
Due to fiduciary funds	-	-	12,687	29,159,024
<i>Other liabilities:</i>				
Deposits	-	-	-	315,732,893
Other liabilities	-	-	-	5,743,356
<b>Total liabilities</b>	<b>3,407,717,733</b>	<b>5,632,730</b>	<b>19,643,329</b>	<b>797,822,162</b>
<b>Net Assets</b>				
<i>Held in trust for:</i>				
Employees' pension benefits	20,954,512,748	-	-	-
OPEB benefits	29,895,255	-	-	-
Pool participants	-	965,478,702	-	-
Individuals	-	-	5,892,707,246	-
<b>Total net assets</b>	<b>\$ 20,984,408,003</b>	<b>\$ 965,478,702</b>	<b>\$ 5,892,707,246</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

# Statement of Changes in Fiduciary Net Assets

## Fiduciary Funds



NEVADA

For the Fiscal Year Ended June 30, 2010

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
<b>Additions</b>			
<i>Contributions:</i>			
Employer	\$ 1,321,831,595	\$ -	\$ -
Plan members	99,714,452	-	-
Participants	-	-	1,743,092,803
Repayment and purchase of service	26,890,242	-	-
<b>Total contributions</b>	<b>1,448,436,289</b>	<b>-</b>	<b>1,743,092,803</b>
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	1,427,660,203	(77,526)	450,178,644
Interest, dividends	597,067,096	14,620,191	138,843,674
Net securities lending income	1,726,152	-	-
Other	66,326,682	-	-
	2,092,780,133	14,542,665	589,022,318
Less investment expense:			
Other	(23,910,107)	(9,922)	-
<b>Net investment income</b>	<b>2,068,870,026</b>	<b>14,532,743</b>	<b>589,022,318</b>
<i>Other:</i>			
Investment from local governments	-	785,559,606	-
Reinvestment from interest income	-	1,211,961	-
Other	1,979,997	53	-
<b>Total other</b>	<b>1,979,997</b>	<b>786,771,620</b>	<b>-</b>
<b>Total additions</b>	<b>3,519,286,312</b>	<b>801,304,363</b>	<b>2,332,115,121</b>
<b>Deductions</b>			
Principal redeemed	-	877,250,011	972,973,972
Benefit payments	1,336,702,874	-	17,640,812
Refunds	20,270,764	-	-
Contribution distributions	429,264	-	-
Dividends to investors	-	1,282,640	-
Administrative expense	11,263,655	560,261	21,623,909
<b>Total deductions</b>	<b>1,368,666,557</b>	<b>879,092,912</b>	<b>1,012,238,693</b>
Change in net assets	2,150,619,755	(77,788,549)	1,319,876,428
Net assets, July 1	18,833,788,248	1,043,267,251	4,572,830,818
<b>Net assets, June 30</b>	<b>\$ 20,984,408,003</b>	<b>\$ 965,478,702</b>	<b>\$ 5,892,707,246</b>

The notes to the financial statements are an integral part of this statement.

**Hiking in the Ruby Mountains  
Lamoille, NV**

Photographed by Grant Tuttle





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## Note 1 - Summary of Significant Accounting Policies

### A. Reporting Entity

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the primary government. Component units are legally separate governmental organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

Financial accountability is defined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The State is financially accountable for those entities in which the State appoints a voting majority of an organization's governing authority, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the State. For those entities in which the State does not appoint a voting majority of the governing authority, GASB Statement No. 14 requires inclusion in the reporting entity if they are fiscally dependent on the State or if it would be misleading to exclude the entity.

**Blended Component Units:** The following blended component units are entities that are legally separate from the State. However, since the State Legislature retains certain significant governing powers over these entities, they are reported as if they are part of the primary government under the provisions of GASB Statement No. 14.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established by the Nevada Legislature in 1947 to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established by the Nevada Legislature to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created by NRS 355.220 (2) for the sole purpose of providing an investment vehicle for monies belonging to either the State or

local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members of the Public Employees' Retirement Board.

*Nevada Real Property Corporation* is a legally separate entity whose board of directors are exclusively State employees or officials. It was incorporated to finance certain construction projects. Such projects include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the Corporation leases the facilities to the State. The State reports these financial transactions as part of the primary government using the blended method.

**Discretely Presented Component Units:** Per the provisions of GASB Statement No. 14, a component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, and the component unit does not provide services entirely or almost entirely to the primary government. The following discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize they are legally separate from the State.

The *Nevada System of Higher Education* (NSHE) is governed by a Board of Regents elected by the voters. However, NSHE is fiscally dependent upon the State because of appropriations from the State Legislature, the Legislative approval of the budget for those appropriations, the levying of taxes, if necessary, and the issuance of debt to support NSHE. Because NSHE has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

The *Colorado River Commission* (CRC) is a legally separate entity responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three appointed by the board of directors of the Southern Nevada Water Authority. Bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power. As CRC has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that described above, may be obtained at that entity's administrative offices:

- *Public Employees' Retirement System*  
Carson City, NV



(Note 1 Continued)

- *Retirement Benefits Investment Fund  
Carson City, NV*
- *Legislators' Retirement System  
Carson City, NV*
- *Judicial Retirement System  
Carson City, NV*
- *Nevada System of Higher Education  
Reno, NV*
- *Colorado River Commission  
Las Vegas, NV*

**Related Organizations:** The Governor is responsible for appointing the members of many occupational licensing boards. The State's accountability for these boards does not extend beyond making the appointments and thus these boards are excluded from this report. The State does not exercise financial or administrative control over the excluded occupational licensing boards.

#### B. Government-Wide and Fund Financial Statements

**Government-Wide Financial Statements:** The Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Inter-fund receivables and payables between governmental funds and enterprise funds are reported as internal balances in the government-wide statement of net assets. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Assets* presents the reporting entity's non-fiduciary assets and liabilities with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Additional disclosure related to the amount of net assets restricted by enabling legislation is provided in Note 11.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management but can be removed or modified.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues. In general, internal activity has been eliminated from the Statement of Activities. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements with non-major funds being combined into a single column.

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

**Measurement Focus and Basis of Accounting:** The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



(Note 1 Continued)

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter. The State considers revenues as available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 12, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when the related fund liability is incurred. However, expenditures for principal and interest on long-term debt are recorded as fund liabilities only when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Inventories and prepaids are reported using the consumption method.

The State reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized.

Restricted revenues are those monies that are legally segregated for specific purposes. For example, a portion of a particular property tax levy may be legally pledged to support debt service. The general policy of the State is to expend unrestricted revenues first in a fund, followed by restricted revenues. However, there are exceptions to this policy in the Consolidated Bond Interest and Redemption fund and all the Capital Projects funds.

**Financial Statement Presentation:** The State reports the following major governmental funds:

The *General Fund* is the State's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The *State Highway Fund* accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

The *Municipal Bond Bank Fund* accounts for revenues and expenditures associated with buying local governments' bonds with proceeds of State general obligation bonds.

The *Consolidated Bond Interest and Redemption Fund* accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State.

The State reports the following major enterprise funds:

The *Housing Division Fund* accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits.

The *Water Projects Loans Fund* accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

Additionally, the State reports the following fund types:

**Proprietary Fund Types:**

*Enterprise Funds* - report the activities for which fees are charged to external users for goods or services such as workers' compensation, insurance, prison industry and higher education tuition trust.

*Internal Service Funds* - provide goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include accounting, communications, information technology, motor pool, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

**Fiduciary Fund Types:**

*Pension and Other Employee Benefit Trust Funds* - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

*Investment Trust Funds* - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

*Private Purpose Trust Funds* - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

*Agency Funds* - report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples of funds in this category include motor vehicle, veterans' custodial and child welfare.



(Note 1 Continued)

**D. Assets, Liabilities and Net Assets/Fund Balance**

*Cash and Pooled Investments* - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Assets and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

*Investments* - Investments are stated at fair value. Fair value is defined as the price at which an asset passes from a willing seller to a willing buyer. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Short-term investments are generally reported at cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are investment trust funds as defined in Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitation of section 355.170 of Nevada Revised Statutes. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for the Retirement Benefits Investment Fund.

Derivative securities are priced and accounted for at fair value. For exchange-traded securities, such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives, such as collateralized mortgage obligations (CMO), mortgage backed securities, and asset backed securities, commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets. Investments are discussed further in Note 3.

*Receivables* - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts.

Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Significant receivable balances not expected to be collected within one year are presented in Note 4.

*Interfund Transactions* - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Transfers and due from/due to other funds are presented in Note 5.

*Inventories* - Inventories are stated at cost on the first-in, first-out basis. Inventory in the State Highway Fund, a special revenue fund, consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Inventory items in the funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

*Prepaid Expenses* - Prepaid expenses reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. Prepaid items in the funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

*Advances to Other Funds* - Long-term interfund advances are recorded by the advancing fund as a receivable and as a reservation of fund balance to maintain the accountability and to disclose properly the amount available for appropriation (unre-





(Note 1 Continued)

served fund balance). Repayments are credited to the receivable and corresponding reductions are made in the reserve. A summary of interfund advances is presented in Note 5.

**Capital Assets and Depreciation** - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Assets at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and equipment, or \$100,000 or more for buildings and improvements, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.

In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

**Compensated Absences** - Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability in the fund financial statements. On the Statement of Net Assets, the total accrued compensated absences for both proprietary and governmental fund types is reported.

**Deferred Revenues** - Deferred revenues in the General Fund consist primarily of refundable gaming taxes and fees and nonexchange transactions for which the revenue is measur-

able but not available. Deferred revenue in the debt service funds consists primarily of amounts due from other governments to retire long-term debt.

**Long-Term Obligations** - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 8.

**Net Assets/Fund Balance** - The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.

**Fund Balance Reservations and Designations** - In the fund financial statements, governmental funds classify fund balances as either reserved or unreserved. Reserved fund balances are those amounts that are not available for appropriation or are legally restricted by outside parties for a specific use. Unreserved fund balances reflect the balances available for appropriation for the general purposes of the fund. Management may designate a portion of the unreserved fund balance for a specific purpose, but designations are tentative management plans that are subject to change.

The nature of reserved and designated fund balances is explained below:

"Encumbrances and contracts" indicates assets required to meet future payment obligations.

"Inventory" indicates consumable supplies held in stock by governmental fund types.

"Advances" indicates assets, which have been advanced to other funds on a long-term basis.

"Funds held as permanent investments" indicates assets permanently invested for the purpose of the fund.

"Fiscal emergency" indicates assets restricted for use in a State fiscal emergency as declared by the Legislature and the Governor.

"Debt service" indicates assets reserved for the retirement of long-term obligations.



*(Note 1 Continued)*

“Other” generally indicates assets that, because of their nature, are unavailable for expenditures.

“Balances forward” indicates unexpended funds brought forward to the next year, which are designated for general government; health and social services; education and support services; law, justice and public safety; regulation of business; transportation or recreation and resource development purposes.

Note 11 provides a disaggregation of governmental fund balances, reserved for other, and governmental fund balances, unreserved, designated.

### **E. Intergovernmental Assistance Programs**

The State participates in various federal award programs. Federal awards are received by the State in both cash and noncash forms. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized (as they become susceptible to accrual [measureable and available] under the modified accrual basis of accounting). The State considers revenues as available if they are collected within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

## **Note 2 - Budgetary and Legal Compliance**

### **Budgetary Process and Control**

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State’s financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$20,000 which have the affect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$50,000, whichever is less. Revisions not exceeding this threshold require only budget director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Fund, a Special Revenue Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$36,907,078 were made in the 2010 fiscal year.

Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State’s budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain prepaid/deferred assets are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain deferred revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.



### Note 3 - Deposits and Investments

The Nevada Revised Statutes and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units. The Office of the State Treasurer is responsible for oversight of the deposits and investments for the State of Nevada.

#### A. Deposits

*Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds* - the State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Nevada Revised Statutes direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2010, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$57,045,151, of which \$2,677,891 was uncollateralized and uninsured.

*Component Units* - cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2010 NSHE's deposits in money market funds totaled \$117,128,000 and cash in bank was \$7,390,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

#### B. Investments

Nevada Revised Statute (NRS) 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State

from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed at Note 1 under Assets, Liabilities and Net Assets/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further under Note 1, Assets, Liabilities and Net Assets/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

*Primary Government, Pension and Other Employee Benefit Trust, and Investment Trust Funds* - The State does not have a written interest rate risk policy. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Capital Aggregate Index benchmark. If securities are purchased outside the Barclays Capital Aggregate Index, they must be of investment grade rating by at least two of Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's). The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2010 (expressed in thousands):



(Note 3 Continued)

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 4,938,307	\$ 316,214	\$ 1,439,061	\$ 706,995	\$ 2,476,037
Negotiable certificate of deposit	14,999	14,999	-	-	-
U. S. agencies	2,262,181	1,539,676	390,916	36,146	295,443
Mutual funds	7,242	7,242	-	-	-
Asset backed corporate securities	133,761	20,000	73,336	17,685	22,740
Corporate bonds and notes	1,045,868	22,745	22,383	592,729	408,011
Commercial paper	44,999	44,999	-	-	-
Fixed income securities	23,767	23,767	-	-	-
International investments	1,290,621	52,087	474,722	391,204	372,608
Municipal bonds	558,405	-	17,907	30,006	510,492
Investment agreements	38,028	-	-	525	37,503
Other short-term investments	1,043,126	498,426	544,700	-	-
Collateralized mortgage obligations	369,724	1,355	10,020	58,363	299,986
<b>Total</b>	<b>\$ 11,771,028</b>	<b>\$ 2,541,510</b>	<b>\$ 2,973,045</b>	<b>\$ 1,833,653</b>	<b>\$ 4,422,820</b>

*Private Purpose Trust* - Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. Investments having interest rate risk are all invested in mutual funds with various maturities from 13 days to 9.2 years and are not included in the table above.

*Component Units* – The Nevada System of Higher Education’s (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2010 (expressed in thousands):

Less than 1 year	\$ 479,634
1 to 5 years	21,673
6 to 10 years	15,218
More than 10 years	20,486
<b>Total</b>	<b>\$ 537,011</b>

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

*Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds* -

NRS 355.140, the State Treasurer’s investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers’ Acceptances are rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. are rated by a nationally recognized rating service as “A” or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as “AAA” or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as “AAA” or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets-related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody’s, Standard & Poor’s, or Fitch (BBB- or better by Standard & Poor’s/Fitch, Baa3 or better by Moody’s). Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to credit risk for the investments. Investments having credit risk are all invested in unrated mutual funds that are included in the table below.



(Note 3 Continued)

The State's investments as of June 30, 2010 were rated by Standard & Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor's rating scale (at fair value, expressed in thousands):

	Quality Rating								
	AAA	AA	A	BBB	BB	B	CCC	CC	Unrated
Negotiable certificate of deposit	\$ -	\$ -	\$ 14,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. agencies	859,007	-	1,334,764	-	-	-	-	-	-
Mutual funds	6,618	-	-	-	-	-	-	-	5,885,662
Asset backed corporate securities	98,977	3,700	23,600	800	-	4,100	500	-	-
Corporate bonds and notes	54,789	194,894	710,067	525,400	20,000	1,200	-	-	12,400
Commerical paper	-	-	44,999	-	-	-	-	-	-
Fixed income securities	-	-	-	-	-	-	-	-	23,679
International investments	447,158	601,255	181,336	43,800	9,451	-	-	-	78,922
Municipal bonds	-	558,405	-	-	-	-	-	-	-
Investment agreements	847	5,701	30,433	-	756	-	-	-	291
Other short-term investments	132,442	-	-	-	-	-	-	-	507,575
Collateralized mortgage obligations	176,797	16,900	29,900	20,800	1,800	8,100	23,500	4,200	26,000
<b>Total</b>	<b>\$ 1,776,635</b>	<b>\$ 1,380,855</b>	<b>\$ 2,370,098</b>	<b>\$ 590,800</b>	<b>\$ 32,007</b>	<b>\$ 13,400</b>	<b>\$ 24,000</b>	<b>\$ 4,200</b>	<b>\$ 6,534,529</b>

As of June 30, 2010, the State of Nevada held debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed. However, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2010.

*Component Unit* - the Nevada System of Higher Education's (NSHE) policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2010 is as follows (expressed in thousands):

	Fair Value	Unrated
Mutual funds publicly traded	\$ 204,983	\$ 204,983
Partnerships	186,154	186,154
Equities	6,191	6,191
Endowment cash/cash equivalents	1,406	1,406
Trust(s)	5,264	5,264
Private commingled funds	133,013	133,013
<b>Total</b>	<b>\$ 537,011</b>	<b>\$ 537,011</b>

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2010, the following investments exceeded 5% of the Primary Government and Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	Percentage
<b>Primary government</b>		
Federal Farm Credit Bank	\$ 218,637	7.42%
Federal Home Loan Bank	433,130	14.71%
Federal National Mortgage Assoc	356,168	12.09%
Federal Home Loan Mortgage Corp	340,597	11.57%
So Nevada Water Authority	234,840	7.97%
<b>Investment Trust Funds</b>		
Federal National Mortgage Assoc	224,280	23.11%
Federal Home Loan Bank	205,142	21.14%
Federal Home Loan Mortgage Corp	219,984	22.67%

At June 30, 2010, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corporation	\$ 7,087	6.66%
Federal National Mortgage Association	11,859	11.15%



(Note 3 Continued)

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative providers. As of June 30, 2010, the Housing Division's investments in Fannie Mae and Ginnie Mae are 16.24% and 30.24% respectively, of Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Division is less concerned about a concentration risk on these investments.

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

*Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds* - the primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The Public Employees' Retirement System of Nevada, the Legislators' Retirement System of Nevada, the Judicial Retirement System of Nevada, and the Retirement Benefits Investment Fund do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. The following table summarizes the pension and other employee benefit trust funds and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2010 (expressed in thousands):

Currency by Investment and Fair Value					
	Fixed Income	Equity	Derivatives	Cash	Total
Australian Dollar	\$ 9,525	\$ 269,100	\$ -	\$ 2,210	\$ 280,835
British Pound Sterling	86,076	689,000	1,400	4,121	780,597
Canadian Dollar	32,409	-	-	2,810	35,219
Danish Krone	10,229	33,500	1,600	905	46,234
Euro	502,212	980,500	(13,000)	2,513	1,472,225
Hong Kong Dollar	-	84,600	-	500	85,100
Israeli Shekel	-	28,000	-	100	28,100
Japanese Yen	517,062	771,300	(6,200)	10,121	1,292,283
Malaysian Ringgit	2,822	-	-	302	3,124
New Zealand Dollar	-	3,300	-	100	3,400
Norwegian Krone	3,308	23,900	-	201	27,409
Polish Zloty	9,528	-	-	4	9,532
Singapore Dollar	3,911	55,900	-	905	60,716
Swedish Krona	7,421	98,000	-	303	105,724
Swiss Franc	3,418	265,600	-	405	269,423
<b>Total</b>	<b>\$ 1,187,921</b>	<b>\$ 3,302,700</b>	<b>\$ (16,200)</b>	<b>\$ 25,500</b>	<b>\$ 4,499,921</b>

*Component Unit* - the Nevada System of Higher Education does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$71,151,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2010.

**C. Securities Lending**

*Primary Government and Investment Trust Funds* - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed is determined on a daily basis.

There were no securities on loan at June 30, 2010 (excluding PERS).

*Public Employees' Retirement System (PERS)* - The system also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.



(Note 3 Continued)

At year-end, PERS has no credit risk exposure to borrowers because the amount PERS owes to borrowers exceeds the amounts the borrowers owe to PERS. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. The securities lending agent is authorized to invest collateral only in high quality, short-term investment vehicles in accordance with PERS' Investment Objectives and Policies. The maturities of the investments made with cash collateral generally match the maturities of the securities loaned.

The fair value of underlying securities on loan at June 30, 2010 is \$2,890,340,441. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2010, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

**D. Derivatives**

*Primary Government and Investment Trust Funds* - There was no exposure to derivatives as of June 30, 2010.

*Public Employees' Retirement System (PERS)* - Foreign exchange forward contracts are periodically employed by PERS to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within the PERS portfolio. Generally, derivatives are subject both to market risk and to counterparty risk. The derivatives utilized by PERS typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolio. Counterparty risk, the risk that the "other party" to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. PERS derivative transactions for fiscal year 2010 are summarized in the following table (expressed in thousands):

<b>Foreign Exchange Contracts</b>					
	<b>Purchases</b>	<b>Realized Gain / Loss</b>	<b>Sells</b>	<b>Realized Gain / Loss</b>	<b>Total Realized Gain / Loss</b>
Australian Dollar	\$ 57,206	\$ 473	\$ (39,822)	\$ 150	\$ 623
British Pound Sterling	155,464	574	(122,798)	(28)	546
Canadian Dollar	14,330	(11)	(2,456)	94	83
Danish Krone	17,016	(16)	(11,870)	27	11
Euro	454,601	709	(347,724)	(481)	228
Hong Kong Dollar	13,511	18	(16,627)	(9)	9
Israeli Shekel	29,403	(123)	-	-	(123)
Japanese Yen	267,825	(19)	(109,972)	(768)	(787)
Malaysian Ringgit	496	3	-	-	3
New Zealand Dollar	932	(9)	(556)	8	(1)
Norwegian Krone	13,385	(1)	(13,161)	(56)	(57)
Polish Zloty	3,845	10	(1,015)	24	34
Singapore Dollar	16,208	(17)	(11,546)	37	20
Swedish Krona	28,694	(116)	(23,604)	(8)	(124)
Swiss Franc	51,229	(43)	(47,597)	(7)	(50)
<b>Total</b>	<b>\$ 1,124,145</b>	<b>\$ 1,432</b>	<b>\$ (748,748)</b>	<b>\$ (1,017)</b>	<b>\$ 415</b>



(Note 3 Continued)

The PERS derivative pending transactions as of June 30, 2010, are summarized in the following table (expressed in thousands):

	<b>Foreign Exchange Contracts</b>				<b>Total Unrealized Gain / Loss</b>
	<b>Purchases</b>	<b>Unrealized Gain / Loss</b>	<b>Sells</b>	<b>Realized Gain / Loss</b>	
British Pound Sterling	\$ 1,384	\$ -	\$ -	\$ -	\$ -
Danish Krone	1,588	-	-	-	-
Euro	8,620	(137)	(21,640)	760	623
Japanese Yen	-	-	(6,223)	(300)	(300)
<b>Total</b>	<b>\$ 11,592</b>	<b>\$ (137)</b>	<b>\$ (27,863)</b>	<b>\$ 460</b>	<b>\$ 323</b>

Management believes that it is unlikely that any of the derivatives in the PERS portfolio could have a material adverse effect on their financial condition. In addition, the credit, market, or legal risks are not above and beyond those risks apparent by the nature of the type of investment for any of the securities contained within the portfolio.

*Legislators' Retirement System (LRS) and Judicial Retirement System (JRS)* - foreign exchange forward contracts are periodically employed by LRS and JRS to hedge currency risk of investments in foreign currencies. There was no exposure to derivatives as of June 30, 2010.

#### Note 4 - Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	<b>Governmental Funds</b>	<b>Nevada System of Higher Education</b>
<b>As shown on financial statements:</b>		
Intergovernmental receivables	\$ 443,355	\$ 39,397
Notes/loans receivable	410	12,359
Due from Component Unit	6,401	-
<b>Total</b>	<b>\$ 450,166</b>	<b>\$ 51,756</b>
<b>Classified:</b>		
<b>Current portion</b>	<b>\$ 310,360</b>	<b>\$ 41,110</b>
<b>Noncurrent portion:</b>		
Intergovernmental receivables	134,057	-
Notes/loans receivable	389	10,646
Due from Component Unit	5,360	-
<b>Total noncurrent portion</b>	<b>139,806</b>	<b>10,646</b>
<b>Total</b>	<b>\$ 450,166</b>	<b>\$ 51,756</b>

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$50 million, and uncollectible accounts receivable are estimated at \$71.6 million. The proprietary funds have \$31.5 million in uncollectible accounts receivable of which \$13.7 million are from uninsured employer's fines and penalties, and \$16.8 million are from unemployment contributions and benefit overpayments.





**Note 5 - Interfund Transactions**

**A. Interfund Advances**

A summary of interfund advances at June 30, 2010, follows (expressed in thousands):

<u>Advances To</u>	<u>Advances From</u>		
	<u>Major Funds</u>		
	<u>General</u>	<u>Consolidated Bond Interest and Redemption</u>	<u>Total</u>
Nonmajor enterprise	\$ 5,351	\$ -	\$ 5,351
Internal service	1,974	1,506	3,480
<b>Total other funds</b>	<b>\$ 7,325</b>	<b>\$ 1,506</b>	<b>\$ 8,831</b>

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary below.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

**B. Due From/Due To Other Funds and Component Units**

A summary of due from and due to other funds and component units at June 30, 2010, is shown below (expressed in thousands):

<u>Due From</u>	<u>Due To</u>					
	<u>Major Governmental Funds</u>					
	<u>General</u>	<u>State Highway</u>	<u>Municipal Bond Bank</u>	<u>Cons Bond Interest and Redemption</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Major Governmental Funds:						
General	\$ -	\$ 2,824	\$ 4	\$ 260	\$ 60,152	\$ 63,240
State Highway	999	-	-	-	258	1,257
Municipal Bond Bank	9	-	-	409	-	418
Consolidated Bond Interest and Redemption	14	-	-	-	5,083	5,097
Nonmajor governmental	39,056	28	-	3,933	340	43,357
<b>Total Governmental</b>	<b>40,078</b>	<b>2,852</b>	<b>4</b>	<b>4,602</b>	<b>65,833</b>	<b>113,369</b>
Major Enterprise Funds:						
Housing Division	-	-	-	-	-	-
Unemployment Comp	-	-	-	-	217	217
Water Projects Loans	369	-	-	-	-	369
Nonmajor enterprise	1,312	5	-	-	3	1,320
<b>Total Enterprise</b>	<b>1,681</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>1,906</b>
Internal Service	1,064	137	-	151	26	1,378
<b>Total other funds</b>	<b>\$ 42,823</b>	<b>\$ 2,994</b>	<b>\$ 4</b>	<b>\$ 4,753</b>	<b>\$ 66,079</b>	<b>\$ 116,653</b>
<b>Fiduciary</b>	<b>\$ 110</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 423</b>	<b>\$ 533</b>
Component Units:						
Nevada System of Higher Education	\$ 540	\$ -	\$ -	\$ 5,775	\$ 86	\$ 6,401
Colorado River Commission	-	-	-	-	-	-
<b>Total Component Units</b>	<b>\$ 540</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,775</b>	<b>\$ 86</b>	<b>\$ 6,401</b>



(Note 5 Continued)

	Due To						
	Major Enterprise Funds			Total Enterprise	Internal Service	Total Other Funds	Fiduciary
	Housing Division	Water Projects Loans	Nonmajor Enterprise				
<b>Due From</b>							
Major Governmental Funds:							
General	\$ 31	\$ 251	\$ 827	\$ 1,109	\$ 4,921	\$ 69,270	\$ 369,581
State Highway	-	-	23	23	913	2,193	733
Municipal Bond Bank	-	-	-	-	-	418	-
Consolidated Bond Interest and Redemption	-	-	-	-	-	5,097	-
Nonmajor governmental	-	-	1	1	183	43,541	129
<b>Total Governmental</b>	<b>31</b>	<b>251</b>	<b>851</b>	<b>1,133</b>	<b>6,017</b>	<b>120,519</b>	<b>370,443</b>
Major Enterprise Funds:							
Housing Division	-	-	-	-	4	4	-
Unemployment Comp	-	-	-	-	-	217	-
Water Projects Loans	-	-	-	-	-	369	83
Nonmajor enterprise	-	-	4	4	89	1,413	90
<b>Total Enterprise</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>93</b>	<b>2,003</b>	<b>173</b>
Internal Service	-	-	3	3	250	1,631	15
<b>Total other funds</b>	<b>\$ 31</b>	<b>\$ 251</b>	<b>\$ 858</b>	<b>\$ 1,140</b>	<b>\$ 6,360</b>	<b>\$ 124,153</b>	<b>\$ 370,631</b>
<b>Fiduciary</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7</b>	<b>\$ 7</b>	<b>\$ 2,724</b>	<b>\$ 3,264</b>	<b>\$ 29,172</b>
Component Units:							
Nevada System of Higher Education	\$ -	\$ -	\$ 1	\$ 1	\$ 2,103	\$ 8,505	\$ 1,312
Colorado River Commission	-	-	-	-	3	3	-
<b>Total Component Units</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2,106</b>	<b>\$ 8,508</b>	<b>\$ 1,312</b>

	Due To		
	Component Units		
	Nevada System of Higher Education	Colorado River Commission	Total Component Units
<b>Due From</b>			
Primary Government:			
Governmental Activities for long term receivable	\$ 31,808	\$ -	\$ 31,808
Major Governmental Funds:			
General	9,457	30	9,487
State Highway	209	-	209
Nonmajor governmental	58,810	-	58,810
<b>Total Governmental Funds</b>	<b>68,476</b>	<b>30</b>	<b>68,506</b>
Nonmajor enterprise	30	-	30
Internal Service	19	1	20
<b>Total</b>	<b>\$ 100,333</b>	<b>\$ 31</b>	<b>\$ 100,364</b>

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made. An exception is the long term receivable due to the Nevada System of Higher Education (NSHE) from the Primary Government in the amount of \$31,808,146. This represents the remaining amount of State of Nevada general obligation bonds that may be issued, as authorized during the 2009 Legislative Session, for NSHE capital improvements.

(Note 5 Continued)

**C. Transfers From/Transfers To Other Funds**

A summary of transfers between funds for the year ended June 30, 2010, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Nonmajor Governmental	Total Governmental
<b>Transfers In/From</b>						
Major Governmental Funds:						
General	\$ -	\$ 10,577	\$ 9	\$ 15,000	\$ 151,323	\$ 176,909
State Highway	382	-	-	-	1,403	1,785
Consolidated Bond Interest and Redemption	2,668	-	30,600	-	13,928	47,196
Nonmajor governmental	107,788	3,264	-	-	1,381	112,433
<b>Total Governmental</b>	<b>110,838</b>	<b>13,841</b>	<b>30,609</b>	<b>15,000</b>	<b>168,035</b>	<b>338,323</b>
Nonmajor enterprise	429	-	-	-	-	429
Internal Service	204	-	-	-	160	364
<b>Total other funds</b>	<b>\$ 111,471</b>	<b>\$ 13,841</b>	<b>\$ 30,609</b>	<b>\$ 15,000</b>	<b>\$ 168,195</b>	<b>\$ 339,116</b>

	Transfers Out/To				
	Major Enterprise Fund				
	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Total Other Funds
<b>Transfers In/From</b>					
Major Governmental Funds:					
General	\$ -	\$ 1,501	\$ 13,413	\$ 14,914	\$ 191,823
State Highway	-	-	-	-	1,785
Consolidated Bond Interest and Redemption	-	-	-	-	47,196
Nonmajor governmental	4,780	-	96	4,876	117,309
<b>Total Governmental</b>	<b>4,780</b>	<b>1,501</b>	<b>13,509</b>	<b>19,790</b>	<b>358,113</b>
Nonmajor enterprise	-	-	-	-	429
Internal Service	-	-	-	-	364
<b>Total other funds</b>	<b>\$ 4,780</b>	<b>\$ 1,501</b>	<b>\$ 13,509</b>	<b>\$ 19,790</b>	<b>\$ 358,906</b>

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment. The exceptions were:

1. Transfer to the General Fund of \$122 million from certain funds and accounts to offset the difference between projected revenues and collections.
2. Transfer of \$24.7 million from the Retirement Benefits Investment Fund to the State Retirees' Health and Welfare Benefits Fund to pay a portion of the costs for health and welfare benefits for state retirees during fiscal year 2010-2011.
3. Transfer of \$41.3 million from the General Fund to the Stabilize the Operations of State Government ("Rainy Day") fund.

The Nevada Legislature approved the first and second transfer during the 26<sup>th</sup> Special Session (2010), and the third transfer was triggered when the General Fund unrestricted fund balance reached a certain level as defined by statute.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of \$458.6 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2010



NEVADA

## Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Assets. The components of restricted assets at June 30, 2010 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
<b>Restricted:</b>			
Cash	\$ -	\$ -	\$ 19,666
Investments	145,793	145,793	-
<b>Total</b>	<b>\$ 145,793</b>	<b>\$ 145,793</b>	<b>\$ 19,666</b>
<b>Restricted for:</b>			
Debt service	\$ 145,793	\$ 145,793	\$ 3,185
Construction	-	-	10,203
Other purposes	-	-	6,278
<b>Total</b>	<b>\$ 145,793</b>	<b>\$ 145,793</b>	<b>\$ 19,666</b>

## Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2010, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 137,100	\$ 1,236	\$ -	\$ 138,336
Construction in progress	269,147	94,627	(185,764)	178,010
Infrastructure	3,125,559	38,939	-	3,164,498
Rights-of-way	522,486	70,480	(124)	592,842
Total capital assets, not being depreciated	4,054,292	205,282	(185,888)	4,073,686
<b>Capital assets, being depreciated/amortized</b>				
Buildings	1,325,368	176,409	(2,313)	1,499,464
Improvements other than buildings	113,618	826	-	114,444
Furniture and equipment	375,128	14,345	(18,560)	370,913
Software costs	151,563	750	(455)	151,858
Total capital assets, being depreciated/amortized	1,965,677	192,330	(21,328)	2,136,679
<b>Less accumulated depreciation/amortization for:</b>				
Buildings	(366,104)	(33,254)	1,687	(397,671)
Improvements other than buildings	(59,536)	(4,800)	-	(64,336)
Furniture and equipment	(264,020)	(30,633)	16,837	(277,816)
Software costs	(132,201)	(8,637)	453	(140,385)
Total accumulated depreciation/amortization	(821,861)	(77,324)	18,977	(880,208)
Total capital assets, being depreciated/amortized, net	1,143,816	115,006	(2,351)	1,256,471
<b>Governmental activities capital assets, net</b>	<b>\$ 5,198,108</b>	<b>\$ 320,288</b>	<b>\$ (188,239)</b>	<b>\$ 5,330,157</b>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	7,687	1,202	(413)	8,476
Total capital assets, not being depreciated	8,255	1,202	(413)	9,044
<b>Capital assets, being depreciated</b>				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,403	306	(106)	5,603
Total capital assets, being depreciated	9,423	306	(106)	9,623
<b>Less accumulated depreciation for:</b>				
Buildings	(2,312)	(103)	-	(2,415)
Improvements other than buildings	(551)	(9)	-	(560)
Furniture and equipment	(4,455)	(349)	98	(4,706)
Total accumulated depreciation	(7,318)	(461)	98	(7,681)
Total capital assets, being depreciated, net	2,105	(155)	(8)	1,942
<b>Business-type activities capital assets, net</b>	<b>\$ 10,360</b>	<b>\$ 1,047</b>	<b>\$ (421)</b>	<b>\$ 10,986</b>



(Note 7 Continued)

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

<b>Governmental activities:</b>			
General government		\$	7,174
Education, support services			2,169
Health, social services			10,759
Law, justice, public safety			28,164
Recreation, resource development			6,545
Transportation			13,244
Regulation of business			1,371
Unallocated			1,448
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets			6,450
<b>Total depreciation/amortization expense - governmental activities</b>		<b>\$</b>	<b>77,324</b>
<b>Business-type activities:</b>			
Enterprise		\$	461
<b>Total depreciation expense - business-type activities</b>		<b>\$</b>	<b>461</b>

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2010, was as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nevada System of Higher Education:</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 126,858	\$ 13,408	\$ (95,940)	\$ 44,326
Land	81,821	-	(261)	81,560
Intangibles	-	808	-	808
Collections	9,697	76,286	(14)	85,969
Total capital assets, not being depreciated	<u>218,376</u>	<u>90,502</u>	<u>(96,215)</u>	<u>212,663</u>
<b>Capital assets, being depreciated</b>				
Buildings	2,049,840	106,566	(1,339)	2,155,067
Land and improvements	100,648	4,972	(1,163)	104,457
Machinery and equipment	301,212	30,843	(18,370)	313,685
Intangibles	-	6,702	-	6,702
Library books and media	113,118	7,753	(677)	120,194
Total capital assets, being depreciated	<u>2,564,818</u>	<u>156,836</u>	<u>(21,549)</u>	<u>2,700,105</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(494,231)	(51,428)	100	(545,559)
Land and improvements	(75,180)	(3,754)	939	(77,995)
Machinery and equipment	(199,270)	(27,254)	15,959	(210,565)
Intangibles	-	(1,369)	-	(1,369)
Library books and media	(99,101)	(8,854)	667	(107,288)
Total accumulated depreciation	<u>(867,782)</u>	<u>(92,659)</u>	<u>17,665</u>	<u>(942,776)</u>
Total capital assets, being depreciated, net	<u>1,697,036</u>	<u>64,177</u>	<u>(3,884)</u>	<u>1,757,329</u>
<b>Nevada System of Higher Education activity capital assets, net</b>	<u>\$ 1,915,412</u>	<u>\$ 154,679</u>	<u>\$ (100,099)</u>	<u>\$ 1,969,992</u>



## Note 8 - Long-Term Obligations

### A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2010 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 2,079,805	\$ 142,990	\$ (155,180)	\$ 2,067,615	\$ 131,790
Special obligation bonds	722,880	-	(54,040)	668,840	56,795
Subtotal	2,802,685	142,990	(209,220)	2,736,455	188,585
Issuance premiums on bonds	109,407	3,928	(10,065)	103,270	10,132
Total bonds payable	2,912,092	146,918	(219,285)	2,839,725	198,717
Certificates of participation	58,030	7,900	(9,850)	56,080	605
Issuance premiums on certificates of participation	-	743	(53)	690	98
Total certificates of participation	58,030	8,643	(9,903)	56,770	703
Other Governmental long-term activities:					
Obligations under capital leases	17,916	18,209	(2,279)	33,846	3,232
Compensated absences obligations	102,546	75,476	(74,449)	103,573	70,325
Arbitrage rebate liability	575	2,643	-	3,218	195
Total other governmental long term activities	121,037	96,328	(76,728)	140,637	73,752
<b>Governmental activities long-term obligations</b>	<b>\$ 3,091,159</b>	<b>\$ 251,889</b>	<b>\$ (305,916)</b>	<b>\$ 3,037,132</b>	<b>\$ 273,172</b>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 113,055	\$ -	\$ (7,995)	\$ 105,060	\$ 8,255
Special obligation bonds	911,783	149,340	(67,079)	994,044	14,251
Subtotal	1,024,838	149,340	(75,074)	1,099,104	22,506
Issuance premiums	1,987	151	(167)	1,971	165
Total bonds payable	1,026,825	149,491	(75,241)	1,101,075	22,671
Compensated absences obligations	1,792	1,464	(1,361)	1,895	1,197
Federal unemployment advance	-	438,325	-	438,325	-
Tuition benefits payable	124,931	11,225	(4,651)	131,505	10,000
Arbitrage rebate liability	72	10	(18)	64	-
<b>Business-type activities long-term obligations</b>	<b>\$ 1,153,620</b>	<b>\$ 600,515</b>	<b>\$ (81,271)</b>	<b>\$ 1,672,864</b>	<b>\$ 33,868</b>

The General Fund, special revenue funds and internal service funds in which the leases are recorded typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the funds incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations.

### B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of \$5,000,000,000 and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2010 are comprised of the following (expressed in thousands):

(Note 8 Continued)

	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Principal Outstanding</u>
<b>Governmental activities:</b>			
<i>General obligation bonds:</i>			
Subject to Constitutional Debt Limitation	2.0-7.0%	\$ 1,690,580	\$ 1,375,790
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,428,415	691,825
<i>Special obligation bonds:</i>			
Exempt from Constitutional Debt Limitation-			
Highway Improvement Revenue Bonds	3.5-6.0%	963,925	668,840
Subtotal		<u>4,082,920</u>	<u>2,736,455</u>
<i>Issuance premiums</i>		153,950	103,270
<b>Governmental activities bonds payable</b>		<u>4,236,870</u>	<u>2,839,725</u>
<b>Business-type activities:</b>			
<i>General obligation bonds:</i>			
Exempt from Constitutional Debt Limitation	2.0-6.5%	144,180	105,060
<i>Special obligation bonds:</i>			
Housing Bonds	*8-8.02%	1,612,470	994,044
Subtotal		<u>1,756,650</u>	<u>1,099,104</u>
<i>Issuance premiums</i>		3,081	1,971
<b>Business-type activities bonds payable</b>		<u>1,759,731</u>	<u>1,101,075</u>
<b>Total bonds payable</b>		<u>\$ 5,996,601</u>	<u>\$ 3,940,800</u>

\*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2010, of the primary government are summarized in the table following (expressed in thousands):

Year Ending	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
June 30				
2011	\$ 188,585	\$ 131,628	\$ 22,506	\$ 34,305
2012	162,180	122,418	19,847	33,175
2013	179,640	114,270	20,846	32,273
2014	187,515	105,350	21,910	31,307
2015	172,130	96,404	22,338	30,264
2016-2020	834,420	357,660	139,579	133,816
2021-2025	695,100	169,819	155,675	95,949
2026-2030	312,405	23,464	152,083	60,849
2031-2035	3,640	774	204,518	29,716
2036-2040	840	42	162,982	9,325
2041-2045	-	-	150,010	1,500
2046-2050	-	-	2,310	198
2051-2055	-	-	24,500	-
<b>Total</b>	<u>\$ 2,736,455</u>	<u>\$ 1,121,829</u>	<u>\$ 1,099,104</u>	<u>\$ 492,677</u>

### C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2010, the debt limitation and its unused portion are computed as follows (expressed in thousands):



(Note 8 Continued)

Debt limitation (2% of total assessed valuation)	\$ 1,900,366
Less: Bonds and leases payable as of June 30, 2010, subject to limitation	(1,410,211)
Remaining debt capacity	<u>\$ 490,155</u>

bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2010 is \$31,564,310.

**D. Nevada Municipal Bond Bank**

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Twenty-two projects were funded through the Nevada Municipal Bond Bank as of June 30, 2010, and total investments in local governments amounted to \$311,565,000.

**E. Refunded Debt and Redemptions**

On November 17, 2009 the State issued General Obligation (Limited Tax) Capital Improvement, Cultural Affairs and Refunding Bonds Series 2009B and General Obligation (Limited Tax) Natural Resources and Refunding Bonds Series 2009C. Series 2009B was issued to refund \$25,365,000 of General Obligation (Limited Tax) Refunding Bonds Series 1999A and \$905,000 General Obligation (Limited Tax) Cultural Affairs Bonds, Series 1998C. Series 2009C was issued to refund \$1,400,000 of General Obligation (Limited Tax) Refunding Bonds, Series 1999B.

On December 10, 2009 the Nevada Real Property Corporation issued \$7,900,000 State of Nevada General Obligation (Limited Tax) Certificates to prepay all of the 1999 Nevada Real Property Corporation Certificates balance of \$8,480,000.

On June 24, 2010 the State issued General Obligation (Limited Tax) (Revenue Supported) Water Refunding Bonds Series 2010B to refund the following General Obligation (Limited Tax) (Revenue Supported) Water Refunding Bonds Series: \$2,210,000 Series 1997B, \$455,000 Series 2003C, \$4,495,000 Series 2006D.

The reacquisition price exceeded the carrying amount of the old debt by \$828,474. This amount is being reported as a deferred charge and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The refunding increased the aggregate debt service payments by \$440,648; however the State completed the refunding to obtain an economic gain or present value gain of \$2,002,908. In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new

**F. Amounts Available and Amounts to be Provided for Debt Service**

At June 30, 2010, the amount available to service debt in the Consolidated Bond Interest and Redemption debt service fund is \$158,514,123. At June 30, 2010, the amount available to service debt in the Highway Revenue Bonds debt service fund is \$35,840,821. At June 30, 2010, the amount available to service the debt in the Municipal Bond Bank special revenue fund is \$311,496,342.

The amount to be provided by other governments of \$131,470,000 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996 the Colorado River Commission (CRC), a component unit responsible for managing Nevada's interest in the water and power resources available from the Colorado River, operated the Southern Nevada Water System (SNWS). In accordance with Chapter 393 of the 1995 Legislature, certain rights, powers, duties and liabilities of SNWS were transferred from the State and CRC to the SNWA effective January 1, 1996. These rights, powers, duties and liabilities included, but were not limited to, the State of Nevada general obligation bonds, the existing water user contracts, the Service Contract between CRC and the Las Vegas Valley Water District, and all other contracts related to the SNWS including contracts for capital improvement. Accordingly, the State records the general obligation bonds previously reported in CRC and an associated amount to be provided by other governments in the government-wide financial statements.

**G. Bond Indenture Provisions**

There are restrictions and limitations contained in the various bond indentures. The State is in compliance with the requirements of the bond covenants.

**H. Capital Leases**

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2010, include equipment with a historical cost of \$7,894,000 with accumulated depreciation of \$6,223,000, building improvements of \$11,149,000 with accumulated depreciation of \$1,114,000, and construction in progress of \$12,318,577.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2010 follow (expressed in thousands):





(Note 8 Continued)

Year Ending June 30	Governmental Activities
2011	\$ 4,703
2012	3,658
2013	2,888
2014	2,930
2015	3,003
2016-2020	16,384
2021-2025	12,248
2026-2030	48
Total minimum lease payments	45,862
Less: amount representing interest	(12,016)
<b>Obligations under capital leases</b>	<b>\$ 33,846</b>

Year Ending June 30	Principal	Interest
2011	\$ 605	\$ 2,634
2012	1,660	2,563
2013	1,815	2,488
2014	1,975	2,406
2015	2,150	2,314
2016-2020	10,905	10,051
2021-2025	11,655	7,852
2026-2030	17,315	4,638
2031-2035	8,000	594
<b>Total</b>	<b>\$ 56,080</b>	<b>\$ 35,540</b>

**I. Certificates of Participation**

In fiscal year 2010, the Nevada Real Property Corporation, a blended component unit, issued \$7,900,000 of general obligation certificates of participation at 5.0-5.125% interest to prepay the remaining outstanding balance of the 1999 issue of the Nevada Real Property Corporation. The original 1999 issue of \$15,000,000 was to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility that is currently operating. The 2010 issue is a direct general obligation of the State to which the full faith and credit of the State is pledged. The State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2004, the Nevada Real Property Corporation issued \$21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City. In fiscal year 2005, the Nevada Real Property Corporation issued \$22,435,000 of Lease Revenue Certificates of Participation at 3.0-5.0% interest to finance the acquisition of a site for and the construction of a new correctional facility in Las Vegas. In fiscal year 2007, the Nevada Real Property Corporation issued \$5,760,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. However, the payment of principal and interest on both issues of certificates is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2010 (expressed in thousands):

**J. Tuition Benefits Payable**

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows:

APV of the future tuition obligation	\$131,505,000
Net assets available	121,796,839
Net assets as a percentage of tuition benefits obligation	92.62%

The actuarial valuation used an investment yield assumption of 6.75% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
Fall 2011	9.81%	9.92%
Fall 2012	0.00%	0.00%
Fall 2013 and later	6.00%	4.00%

**K. Arbitrage Rebate Requirement**

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2010, and changes for the fiscal year then ended is presented in Section A of this note.

**L. Conduit Debt Obligations**

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received



(Note 8 Continued)

on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2010, there are nineteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,023,805,032. Included in this amount is \$693,861,665 payable from the Las Vegas Monorail Company that filed Chapter 11 bankruptcy protection on January 13, 2010 in order to restructure the company's debt through this process.

**M. Pledged Revenue**

*Pledged motor vehicle and special fuel tax* - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay \$668,840,000 in outstanding Highway Improvement Revenue Bonds that were issued from December 2000 through April 2008 for highway construction projects and property acquisition. Total principal and interest remaining on the bonds is \$888,864,905 payable through December 2025. Upon completion of eligible projects, federal aid of \$237,552,243 is expected to be received in fiscal year 2011. For the current year, principal and interest paid was \$87,915,760, and total motor vehicle fuel and special fuel tax revenues were \$265,537,368.

*Pledged Nevada Housing Division program funds* - The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues

which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

Substantially all program fund assets are pledged in trust for the benefit of the bondholders.

**N. Interest Rate Swap Agreements**

*Objective* - The Nevada Housing Division has entered into six pay-fixed, receive-variable interest rate swaps in order to provide lower cost fixed rate financing for its single-family loan production needs. The Nevada Housing Division policy requires hedging of all variable rate debt issuances through synthetic fixed rate structures.

*Terms, Fair Values and Credit Ratings* - The terms, fair values, and credit ratings of the outstanding swaps as of June 30, 2010 were as follows (expressed in thousands):

Associated Single-Family Bond Issue	Current Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Counter-Party Rating	Fair Value
2006 Issue A	\$ 4,500	09/23/08	4.720%	68% of USD-LIBOR-BBA	04/01/37	Aaa	\$ (577)
2006 Issue B	4,500	09/23/08	4.230%	68% of USD-LIBOR-BBA	10/01/41	Aaa	(502)
2007 Issue A	4,500	09/23/08	4.246%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(547)
2007 Issue B	8,000	10/09/07	4.340%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(1,016)
2008 Issue A	14,700	04/03/08	3.736%	68% of USD-LIBOR-BBA	10/01/39	Aaa	(1,330)
2008 Issue B	7,500	09/25/08	3.670%	68% of USD-LIBOR-BBA	04/01/39	Aaa	(675)
<b>Total Single-Family</b>	<b>\$ 43,700</b>						<b>\$ (4,647)</b>

The notional amounts of the swaps match the principal amounts of the associated debt. Except as discussed under rollover risk, the Housing Division's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category.

*Credit Risk* - All of the Housing Division's swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result the Housing Division is exposed to credit risk. Credit risk is the risk that a swap counterparty fails to



(Note 8 Continued)

perform according to contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps as detailed above. To mitigate this credit risk, the Housing Division maintains strict credit standards for swap counterparties, and requires the counterparties to be rated in the AA or higher category by either Moody's or Standard & Poor's at the time the contract is entered into. The Housing Division has executed its swap transactions with two counterparties. The counterparties are rated Aaa/A1. The swap agreements contain a collateral agreement with the counterparty, and require full collateralization of the fair value of the swap should the counterparty's credit rating fall below the requirement. Eligible collateral on the swaps can include cash or U.S. government securities held by a third-party custodian.

**Basis Risk** – The Housing Division is exposed to basis risk when the relationship between LIBOR and BMA converges, changing the synthetic rate on the bonds. When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated. As of June 30, 2010, the BMA rate was .25% and 68% of the LIBOR was .23694%.

**Termination Risk** – The Housing Division's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the Housing Division or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. The Housing Division views the likelihood of such events to be remote at this time. If at the termination a swap has a negative value, the Housing Division would be liable to the counterparty for a payment equal to the fair value of such swap.

**Rollover Risk** – The Housing Division is exposed to rollover risk on swaps that mature or may be terminated at the counter-

party's option prior to the maturity of the associated debt. As of June 30, 2010, the Division is not exposed to any rollover risk.

**Swap Payments and Associated Debt** - Using interest rates as of June 30, 2010, debt service requirements of the Housing Division's outstanding variable-rate debt and net swap payments are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Swaps, Net	Total
2011	\$ -	\$ 109	\$ 1,662	\$ 1,771
2012	-	109	1,662	1,771
2013	-	109	1,662	1,771
2014	-	109	1,662	1,771
2015	-	109	1,662	1,771
2016-2020	-	546	8,310	8,856
2021-2025	-	546	8,310	8,856
2026-2030	2,490	538	8,185	11,213
2031-2035	13,580	436	6,723	20,739
2036-2040	24,280	160	2,302	26,742
2041-2045	3,350	4	58	3,412
<b>Total</b>	<b>\$ 43,700</b>	<b>\$ 2,775</b>	<b>\$ 42,198</b>	<b>\$ 88,673</b>

As rates vary, variable-rate interest rate payments on the bonds and net sweep payments will change.

**O. Federal Unemployment Advance**

During fiscal year 2010, the Unemployment Compensation Trust Fund obtained repayable federal advances in the amount of \$438,325,000 from the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act. No interest accrues on these federal advances until after December 31, 2010.

**P. Component Unit Obligations**

*Nevada System of Higher Education (NSHE)* – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2010, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 517,435	\$ 9,814	\$ (28,397)	\$ 498,852	\$ 19,578
Issuance premiums	11,210	-	(475)	10,735	474
Total bonds payable	528,645	9,814	(28,872)	509,587	20,052
Obligations under capital leases	8,702	1,537	(2,777)	7,462	2,077
Compensated absences obligations	43,072	30,290	(27,321)	46,041	30,897
<b>Total</b>	<b>\$ 580,419</b>	<b>\$ 41,641</b>	<b>\$ (58,970)</b>	<b>563,090</b>	<b>53,026</b>
Discretely presented component units of the NSHE:					
Capital leases				1,251	392
Compensated absences obligations				13	13
Long-term debt				271	86
<b>Total</b>				<b>\$ 564,625</b>	<b>\$ 53,517</b>

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2010



NEVADA

(Note 8 Continued)

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2010 (expressed in thousands):

Year Ending June 30	Principal	Interest
2011	\$ 20,052	\$ 23,052
2012	19,517	22,292
2013	20,005	21,479
2014	21,241	20,606
2015	21,692	19,818
2016-2020	107,953	83,302
2021-2025	89,122	60,435
2026-2030	90,568	39,041
2031-2035	91,517	16,679
2036-2040	27,920	1,804
<b>Total</b>	<b>\$ 509,587</b>	<b>\$ 308,508</b>

Year Ending June 30	Amount
2011	\$ 2,410
2012	1,555
2013	1,528
2014	1,194
2015	959
2016-2019	753
Total minimum lease payments	8,399
Less: amount representing interest	(937)
<b>Obligations under capital leases</b>	<b>\$ 7,462</b>

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2010, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 104,060	\$ -	\$ (5,490)	\$ 98,570	\$ 5,770
Issuance premiums	2,904	-	(247)	2,657	247
Issuance discounts	(2)	-	2	-	-
Unamortized refunding charges	(4,796)	-	348	(4,448)	(348)
Total bonds payable	102,166	-	(5,387)	96,779	5,669
Compensated absences obligations	273	164	(128)	309	218
<b>Total</b>	<b>\$ 102,439</b>	<b>\$ 164</b>	<b>\$ (5,515)</b>	<b>\$ 97,088</b>	<b>\$ 5,887</b>

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2011	\$ 5,770	\$ 4,792
2012	6,065	4,482
2013	6,400	4,156
2014	6,735	3,812
2015	7,100	3,450
2016-2020	31,225	11,598
2021-2025	19,140	6,188
2026-2030	16,135	1,430
<b>Total</b>	<b>\$ 98,570</b>	<b>\$ 39,908</b>



**Note 9 - Pensions and Other Employee Benefits**

The Nevada Legislature created various plans to provide benefits to qualified employees and certain elected officials of the State as well as employees of other public employers. The Public Employees' Retirement Board administers the Public Employees' Retirement System of Nevada (PERS), the Legislators' Retirement System of Nevada (LRS) and the Judicial Retirement System of Nevada (JRS). A summary description of the plans follows.

**A. PERS**

*Plan Description* - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2010, there were 183 participating employers and other contributing entities.

PERS' issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports PERS as a pension trust fund. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits and survivor benefits. Monthly benefit allowances for regular members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

*Summary of Significant Accounting Policies* – PERS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, employee and employer contributions are recognized

in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on estimated current values and Member Appraisal Institute independent appraisals. For private equity partnership investments, estimated fair value is determined in good faith by the general partner of the respective investment partnership. In addition, each partnership undergoes an independent audit on an annual basis.

*Contributions* - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is provided by statute. New hires of the State of Nevada and public employers, who did not elect the employer-pay contribution plan prior to July 1, 1983, have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. One plan provides for matching employee and employer contributions while the other plan provides for employer-pay contributions only.

*Funding Policy* - PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Legislature. These statutory rates are increased or decreased pursuant to NRS 286.421 and 286.450.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2010 were as follows:

	Statutory Rate	
	Employer	Employees
<b>Regular employees:</b>		
Employer-pay plan	21.50%	na
Employee/employer plan (matching rate)	11.25%	11.25%
<b>Police and Fire employees:</b>		
Employer-pay plan	37.00%	na
Employee/employer plan (matching rate)	19.00%	19.00%

The State's contribution requirements for the current fiscal year and each of the two preceding years were (expressed in thousands):



(Note 9 Continued)

	2010	2009	2008
Primary Government	\$ 164,630	\$ 153,768	\$ 146,754
<b>Component Units:</b>			
Colorado River Commission	470	443	448
Nevada System of Higher Education	28,274	28,030	27,269
<b>Total component units</b>	<b>28,744</b>	<b>28,473</b>	<b>27,717</b>
<b>Total reporting entity</b>	<b>\$ 193,374</b>	<b>\$ 182,241</b>	<b>\$ 174,471</b>
Contributions as % of covered payroll	17%	16%	16%
Percentage of pension costs contributed	100%	100%	100%

**B. LRS**

*Plan Description* - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and death benefits. Monthly benefit allowances are \$25 for each year of service up to thirty years.

LRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports LRS as a pension trust fund. LRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

*Summary of Significant Accounting Policies* - LRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable.

*Actuarial Information* - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the July 1, 2010, actuarial valuation include the following:

<i>Actuarial Cost Method:</i>	Entry age normal
<i>Amortization Method:</i>	Year-by-year closed with each amortization period set at 20 years
<i>Asset Valuation Method:</i>	Five year smoothed market
<i>Actuarial Assumptions:</i>	
<i>Investment yield</i>	8%
<i>Projected salary increases</i>	None
<i>Retirement Age for Active Members:</i>	Legislators become fully vested at age 60 with eight years of service with service credit before July 1, 1985, or at age 60 with ten years of service without service credit before July 1, 1985.

(Continued on next page)

Per statute employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yield currently available on comparable securities of issuers with similar credit ratings.

*Contributions* - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$401,732 for fiscal years 2009 and 2010, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2009, of which \$200,866 (half) was recognized as employer contributions in the fiscal year 2009, and the other half was recognized in fiscal year 2010. Employee contributions of \$61,201 were received in fiscal year 2009, of which, \$30,600 (half) was recorded as employee contributions in the fiscal year 2009, and the remaining \$30,601 was recorded in fiscal year 2010.



(Note 9 Continued)

(Continued from previous page)

*Assumed Mortality Rate:*

*Cost of Living (Post-Retirement) Increases:*

1983 Group Annuity Mortality Table  
2% after 3 years of receiving benefits  
3% after 6 years of receiving benefits  
3.5% after 9 years of receiving benefits  
4% after 12 years of receiving benefits  
5% after 14 years of receiving benefits \*  
Cap based on CPI if benefits outpace inflation

\*Does not apply to retirees who enter the LRS on or after January 1, 2010.

*Trend Information* - Three-year trend information follows (expressed in thousands):

<u>Actuarial Valuation</u> <u>Date</u>	<u>Annual</u> <u>Pension Cost</u>	<u>State Contribution</u> <u>Made</u>	<u>Percentage of Annual</u> <u>Pension Cost Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
1/1/2008	\$ 185	\$ 185	100%	\$ -
1/1/2009	201	201	100%	-
7/1/2010	201	201	100%	-

*Funded Status and Funding Progress* – As of July 1, 2010, the most recent actuarial valuation date, the LRS was 74% funded. The actuarial accrued liability for benefits was \$5.6 million, and the actuarial value of assets was \$4.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ .4 million, and the ratio of the UAAL to the covered payroll was 411%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**C. JRS**

*Plan Description* - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. As of July 1, 2010, the Supreme Court and ten municipalities in Nevada elected to participate in JRS.

JRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports JRS as a pension trust fund. JRS financial report may be obtained from the Public Employees’ Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement to a maximum of 75% with 22 years, times the member’s highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for the first five years of service and 4.1666% for each additional year of service, up to a total maximum of 22 years, times the member’s compensation for their last year of service.

*Summary of Significant Accounting Policies* – JRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.



(Note 9 Continued)

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

*Contributions* – The JRS is an employer-paid plan and there is no contribution from active members. The participating employers submit the percentage of compensation deter-

mined by the actuary to pay the normal costs and administrative expenses. Annually, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

*Actuarial Information* – Actuarial valuations of the JRS are prepared annually on a fiscal year basis. Significant actuarial assumptions used in the July 1, 2010 valuation include the following:

*Actuarial Cost Method:*

Entry age normal

*Amortization Method:*

Level percent of pay (3% payroll growth assumed) over a declining amortization period of:

30 years for Supreme Court and District Judges

20 years for each non-state agency

5-year smoothed market

*Asset Valuation Method:*

*Actuarial Assumptions:*

*Investment yield*

8%

*Projected salary increases*

1 to 4 years of service increase of 3% per year

5 years of service increase of 11% per year

6 to 12 years of service increase of 5% per year

13 or more years of service increase of 3% per year

*Retirement Age for Active Members:*

Retirement rates after completion of five years of service and attainment of the following ages:

<u>Age</u>	<u>Rate per Age</u>
60—64	35%
65—67	50%
68—69	75%
70	100%

*Assumed Mortality Rate:*

RP-2000 Male Combined Healthy Table

RP-2000 Female Combined Healthy Table set forward one year

*Cost of Living (Post-Retirement) Increases:*

2% after 3 years of receiving benefits

3% after 6 years of receiving benefits

3.5% after 9 years of receiving benefits

4% after 12 years of receiving benefits

5% after 14 years of receiving benefits\*

Cap based on CPI if benefits outpace inflation

\* Does not apply to retirees who enter the JRS on or after January 1, 2010.

*Trend Information* - Three-year trend information for the current fiscal year and each of the two preceding fiscal years follows (expressed in thousands):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual required contribution	\$ 5,043	\$ 3,740	\$ 3,453
Interest on net pension obligation	(40)	(24)	(6)
Adjustment to annual required contribution	116	69	19
Annual pension cost	5,119	3,785	3,466
State contribution made	(4,624)	(3,992)	(3,680)
Increase (decrease) in net pension obligation	495	(207)	(214)
Net pension obligation (asset) at beginning of year	(505)	(298)	(84)
Net pension obligation (asset) at end of year	<u>\$ (10)</u>	<u>\$ (505)</u>	<u>\$ (298)</u>
Percentage of annual pension costs contributed	90%	105%	106%





(Note 9 Continued)

*Funded Status and Funding Progress* – As of July 1, 2010, the most recent actuarial valuation date, the JRS was 59% funded. The actuarial accrued liability for benefits was \$80.4 million, and the actuarial value of assets was \$47.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$33.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$15.3 million, and the ratio of the UAAL to the covered payroll was 217%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **D. Other Postemployment Benefits**

*Plan Description* – The State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program ("PEBP") of the State of Nevada ("Retirees' Fund") was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees' Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees' Fund is a multiple-employer cost sharing defined postemployment benefit plan with three participating employers, and is administered by the Board of the Public Employees' Benefits Program of the State of Nevada. The Retirees' Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees' Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retiree's Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

*Summary of Significant Accounting Policies* - The financial statements of the Retirees' Fund have been prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Retirees' Fund does not receive member contributions.

*Method Used to Value Investments* – Investments are reported at fair value, which is defined as the price at which an asset passes from a willing seller to a willing buyer. Investments are held with the Retirement Benefits Investment Fund (RBIF), which values participants' shares according to the contributions of each entity, and accordingly, earnings and expenses are allocated to each entity in proportion to the participants' share in the RBIF.

*Contributions and Funding Policy* - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2009 through June 30, 2010 the rate assessed was 2.296% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2010, the State and its component units contributed \$33,406,435 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2009, the State and its component units contributed \$38,683,119 to the plan, including \$32,256,720, which is 100% of the contractually required contribution, and an additional \$6,426,399 to prefund benefits. For the year ended June 30, 2008, the State and its component units contributed \$59,263,078 to the plan, including \$39,590,702, which is 100% of the contractually required contribution, and an additional \$19,672,376 to prefund benefits.



**Note 10 - Risk Management**

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	<b>Self Insurance Fund</b>	<b>Insurance Premiums Fund</b>
Balance June 30, 2008	\$ 32,634	\$ 43,802
Claims and changes in estimates	238,691	18,999
Claim payments	(235,444)	(17,213)
Balance June 30, 2009	35,881	45,588
Claims and changes in estimates	238,725	13,212
Claim payments	(240,133)	(13,637)
<b>Balance June 30, 2010</b>	<b>\$ 34,473</b>	<b>\$ 45,163</b>
Due Within One Year	\$ 34,473	\$ 16,994

These liabilities are recorded in accordance with GASB Statement No. 10. This statement requires that a liability for claims be reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Assets.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2010. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

**A. Self-Insurance Fund**

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are fifteen public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, one hundred twenty-seven public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of nine members: eight members appointed by the Governor,

and the Director of the Department of Administration or his designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Accidental death and dismemberment, travel accident, long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

**B. Insurance Premiums Fund**

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. For the year ended June 30, 2010, the loss retention for this policy was \$1,500,000. Effective January 1, 2001 NSHE and PERS were excluded from coverage under this policy. Liabilities in the amount of \$35,246,832 as of June 30, 2010 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2010.

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007 and \$75,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. The State statutory tort recovery limit will increase to \$100,000 effective October 1, 2011. Per State statute, if,



(Note 10 Continued)

as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2010, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand

with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from \$9,647,700 to \$40,118,200 has been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2010 total liabilities exceeded total assets by \$24,131,446. The Fund is liable for approximately \$25,000,000 as of June 30, 2010 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

**Note 11 - Fund Balances and Net Assets**

**A. Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$1,147,872,387 of restricted net assets for the primary government of which \$113,961,050 is restricted by enabling legislation.

**B. Governmental Fund Balances**

Governmental fund balances, reserved for other at June 30, 2010, are explained as follows (expressed in thousands):

	<u>General</u>	<u>State Highway</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Fund balances, reserved for other:</b>				
Reserved for prepaid items	\$ 1,677	\$ 12	\$ 99	\$ 1,788
Reserved for noncurrent receivables - notes	387	-	23	410
Reserved for specific purpose private contributions	-	-	165	165
Reserved for legislatively approved allocations	-	-	3,097	3,097
<b>Total fund balances, reserved for other</b>	<u>\$ 2,064</u>	<u>\$ 12</u>	<u>\$ 3,384</u>	<u>\$ 5,460</u>

Governmental fund balances, unreserved, designated, reported in nonmajor funds at June 30, 2010, are explained as follows (expressed in thousands):

	<u>Other Governmental</u>
<b>Fund balances, unreserved, designated, reported in nonmajor:</b>	
<b>Special revenue funds:</b>	
Designated for waiver of furloughs and increased costs associated with compensated absences due to upcoming Legislative Session	\$ 1,200
<b>Capital project funds:</b>	
Designated for approved capital projects	59,943
<b>Total fund balances, unreserved, designated, reported in nonmajor funds</b>	<u>\$ 61,143</u>



(Note 11 Continued)

**C. Individual Fund Deficits**

**Nonmajor Enterprise Funds**

*Nevada Magazine* - The Nevada Magazine Fund accounts for the operation of the publication, *Nevada Magazine*, which is published to promote tourism. The fund shows an increase in net assets of \$62,561 for the fiscal year ended June 30, 2010, resulting in net liabilities (negative net assets) of \$73,084 at June 30, 2010.

*Higher Education Tuition Trust* - The Higher Education Tuition Trust Fund accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be

paid in advance of enrollment at an institution of higher education. The fund shows an increase in net assets of \$6,755,683 for the fiscal year ended June 30, 2010, resulting in net liabilities (negative net assets) of \$9,708,161 at June 30, 2010.

**Internal Service Fund**

*Insurance Premiums* - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded an increase in net assets of \$4,150,903 for the year ended June 30, 2010, resulting in net liabilities (negative net assets) of \$24,131,446 at June 30, 2010.

**Note 12 - Principal Tax Revenues**

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

*Sales and Use Taxes* are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

*Modified Business Tax* is imposed at a tiered rate for businesses other than financial institutions. If the sum of all taxable wages paid by the employer does not exceed \$62,500 for the calendar quarter, the amount of tax is 0.5% of the sum of the wages. If the sum of all the wages paid by the employer exceeds \$62,500 for the calendar quarter, the tax is \$312.50 plus 1.17% of the amounts the wages exceed \$62,500. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

*Insurance Premium Tax* is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due.

*Motor Vehicle Fuel Tax* is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

*Other Sources* of tax revenues include: Cigarette Tax, Controlled Substance Tax, Estate Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees and Tire Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

*Percentage Fees* are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

*Live Entertainment Taxes* are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment in facilities with less than occupancy/seating of 7,500. A 5% rate is imposed for facilities with at least 7,500 occupancy/seating.

*Flat Fee Collections* are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

*Other Sources* of gaming tax revenues include: Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

**Note 13 - Works of Art and Historical Treasures**

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, preserves the

rich railroad heritage of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the state and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

**Note 14 - Commitments and Contingencies****A. Primary Government**

*Lawsuits* - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per cause of action through October 1, 2007 and \$75,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Tort claims are handled in accordance with NRS 41. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascer-

tainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

In litigation filed against the Department of Taxation, the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the Department of Taxation as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is \$60.8 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of \$20.5 million in exchange for agreeing to purchase certain specified US treasury securities of various maturities and principal amounts from LBCB at different times between June 30, 2002 and May 15, 2028. The State was required to purchase the securities at their matured values, or par value if discount securities were purchased. LBCB would realize revenue at the time of delivery to the custodian. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgment action and a counterclaim requesting a judgment in favor of LBCB in the declaratory relief claim, and



(Note 14 Continued)

seeking other relief, including an award of damages against the State. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB’s counterclaim, the State cannot at this time predict the outcome of this action.

*PERS* - The Public Employees’ Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional \$533.3 million at some future date.

*Leases* - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Assets. Primary government lease expense for the year ended June 30, 2010 amounted to \$36 million. The following is the primary government’s schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2010 (expressed in thousands):

<b>For the Year</b>	
<b>Ending June 30</b>	<b>Amount</b>
2011	\$ 30,214
2012	22,548
2013	16,490
2014	10,341
2015	6,704
2016-2020	7,679
2021-2025	2,100
<b>Total</b>	<b>\$ 96,076</b>

*Federal Grants* - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2010, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

*Rebate Arbitrage* - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds

issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. The present value of the rebateable arbitrage is \$3,282,000 and has been recorded as a liability in the Statement of Net Assets at June 30, 2010. Future calculations might result in different rebateable arbitrage amounts.

*Construction Commitments* – As of June 30, 2010, the Nevada Department of Transportation had total contractual commitments of approximately \$478.4 million for construction of various highway projects. Other major non-highway construction commitments for the primary government’s budgeted capital projects funds total \$23.3 million.

**B. Discretely Presented Component Units**

*Nevada System of Higher Education (NSHE)* – As of June 30, 2010, NSHE had entered into various investment agreements with private equity partnerships and private commingled funds. Under the terms of certain of these investment agreements, NSHE is obligated to make additional investments in these partnerships of \$4,827,000.

NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net assets, changes in net assets or cash flows of NSHE.

The estimated cost to complete property authorized or under construction at June 30, 2010 is \$127,884,000. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

*Colorado River Commission (CRC)* - The CRC may from time to time be a party in various litigation matters. It is management’s opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC’s future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

The CRC does not accrue for estimated future legal defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

**Note 15 - Subsequent Events****Primary Government**

*Bonds* – On December 8, 2010 the State executed purchase agreements for the following bonds, which are scheduled to close on December 21, 2010:

\$121,920,000 Series 2010C General Obligation (Limited Tax), Capital Improvement and Refunding Bonds (subject to the Constitutional Debt Limit)

\$20,170,000 Series 2010D General Obligation (Limited Tax), Natural Resources and Refunding Bonds (not subject to the Constitutional Debt Limit)

\$4,535,000 Series 2010G General Obligation (Limited Tax), Water Pollution Control Revolving Fund Matching Bonds (not subject to the Constitutional Debt Limit)

\$4,625,000 Series 2010H, Subseries 1 (Tax-Exempt) General Obligation (Limited Tax), Water Pollution Control Revolving Fund Leveraged Refunding Bonds (not subject to the Constitutional Debt Limit)

\$3,725,000 Series 2010H, Subseries 2 (Taxable) General Obligation (Limited Tax), Water Pollution Control Revolving Fund Leveraged Refunding Bonds (not subject to the Constitutional Debt Limit)

\$6,235,000 Series 2010I General Obligation (Limited Tax), Safe Drinking Water Revolving Fund Matching and Refunding Bonds (not subject to the Constitutional Debt Limit)

*Advances from the Federal Unemployment Account* – The State drew repayable advances of \$141.4 million between July 1, 2010 and November 30, 2010. The State has applied for and may still draw up to \$270 million to meet State unemployment insurance obligations through March 31, 2011. Thereafter loan requests may be submitted every 90 days.

**Note 16 - Accounting Changes and Restatements**

Net assets as of July 1, 2009 have been restated in the enterprise funds and business type activities to reflect a change in the reporting of the WICHE Student Loan Fund (enterprise fund). WICHE Student Loan Fund is no longer part of the primary government, and is reported by the Nevada System of Higher Education (component unit) beginning July 1, 2009. The result is a reduction in beginning net assets of \$2,010,098.

# REQUIRED SUPPLEMENTARY INFORMATION



**Kayaking East Fork of the Carson River, NV**

Photo Courtesy of Nevada Commission on Tourism



## Budgetary Comparison Schedule General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2010

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>				
Fund balances, July 1	\$ 477,958,549	\$ 477,958,549	\$ 477,958,549	\$ -
<b>Revenues:</b>				
Sales taxes	831,058,800	758,074,300	784,348,571	26,274,271
Gaming taxes, fees, licenses	856,907,929	793,888,829	789,608,373	(4,280,456)
Intergovernmental	2,169,665,619	2,716,130,421	2,237,855,390	(478,275,031)
Other taxes	1,349,075,833	1,300,239,513	1,325,144,697	24,905,184
Sales, charges for services	223,283,905	217,965,676	181,384,891	(36,580,785)
Licenses, fees and permits	492,775,654	495,435,579	497,356,970	1,921,391
Interest	14,202,179	17,964,032	4,939,938	(13,024,094)
Other	222,125,156	239,550,158	216,116,335	(23,433,823)
<b>Other financing sources:</b>				
Proceeds from sale of bonds	-	16,521,898	16,523,022	1,124
Transfers	292,211,880	750,697,611	694,982,282	(55,715,329)
Reversions from other funds	-	-	3,249,831	3,249,831
<b>Total sources</b>	<b>6,929,265,504</b>	<b>7,784,426,566</b>	<b>7,229,468,849</b>	<b>(554,957,717)</b>
<b>Uses of Financial Resources</b>				
<b>Expenditures and encumbrances:</b>				
Constitutional agencies	291,523,030	478,256,379	400,733,325	77,523,054
Finance and administration	74,959,435	76,962,746	62,961,540	14,001,206
Education	2,667,381,791	2,844,498,591	2,603,053,645	241,444,946
Human services	2,829,480,385	2,983,570,791	2,755,876,129	227,694,662
Commerce and industry	155,188,779	210,394,019	137,448,452	72,945,567
Public safety	434,700,215	528,019,818	400,592,933	127,426,885
Infrastructure	262,374,898	324,844,059	145,193,108	179,650,951
Special purpose agencies	37,878,103	45,180,595	34,563,193	10,617,402
<b>Other financing uses:</b>				
Transfers to other funds	60,028,571	59,501,928	59,501,928	-
Reversions to other funds	-	-	1,175,148	(1,175,148)
<b>Projected reversions</b>	<b>(53,500,000)</b>	<b>(53,500,000)</b>	<b>-</b>	<b>(53,500,000)</b>
<b>Total uses</b>	<b>6,760,015,207</b>	<b>7,497,728,926</b>	<b>6,601,099,401</b>	<b>896,629,525</b>
<b>Fund balances, June 30</b>	<b>\$ 169,250,297</b>	<b>\$ 286,697,640</b>	<b>\$ 628,369,448</b>	<b>\$ 341,671,808</b>



NEVADA

Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 295,089,004	\$ 295,089,004	\$ 295,089,004	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
362,396,583	537,052,820	440,919,912	(96,132,908)	-	-	-	-
284,232,340	284,279,760	302,324,379	18,044,619	-	-	-	-
21,725,190	16,323,338	16,130,971	(192,367)	-	-	-	-
165,068,439	161,470,066	177,454,612	15,984,546	-	-	-	-
8,051,793	3,051,793	3,106,451	54,658	30,618,109	30,618,109	30,148,333	(469,776)
44,263,591	33,005,124	37,354,061	4,348,937	-	-	-	-
-	-	-	-	-	-	-	-
15,772,197	21,264,676	14,623,963	(6,640,713)	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,196,599,137</u>	<u>1,351,536,581</u>	<u>1,287,003,353</u>	<u>(64,533,228)</u>	<u>30,618,109</u>	<u>30,618,109</u>	<u>30,148,333</u>	<u>(469,776)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
201,540,407	211,291,925	190,318,430	20,973,495	-	-	-	-
720,249,174	935,801,864	744,200,816	191,601,048	-	-	-	-
-	-	-	-	-	-	-	-
89,297,677	94,053,726	94,053,724	2	30,618,109	30,618,109	30,146,884	471,225
-	-	34,335	(34,335)	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,011,087,258</u>	<u>1,241,147,515</u>	<u>1,028,607,305</u>	<u>212,540,210</u>	<u>30,618,109</u>	<u>30,618,109</u>	<u>30,146,884</u>	<u>471,225</u>
<u>\$ 185,511,879</u>	<u>\$ 110,389,066</u>	<u>\$ 258,396,048</u>	<u>\$148,006,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,449</u>	<u>\$ 1,449</u>

## Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2010

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of September 10 are reported instead of the amounts disclosed in the original budget. The September 10, 2010 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2010 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	<u>General Fund</u>	<u>State Highway</u>	<u>Municipal Bond Bank</u>
<b>Fund balances (budgetary basis) June 30, 2010</b>	\$ 628,369	\$ 258,396	\$ 1
<b>Adjustments:</b>			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	(13,956)	180	-
Investments not recorded on the budgetary basis	7,826	-	311,565
Accrual of certain other receivables	154,660	4,780	2
Inventory	-	12,309	-
Advances to other funds	8,342	2	-
Accrual of certain accounts payable and other liabilities	(284,281)	-	-
Deferred revenues	(252,429)	(1)	-
Encumbrances	3,074	1,884	-
Other	(17,047)	(6,951)	(72)
<b>Fund balances (GAAP basis) June 30, 2010</b>	<u>\$ 234,558</u>	<u>\$ 270,599</u>	<u>\$ 311,496</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2010, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	\$ 628,369
Restricted funds	<u>(317,940)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u>\$ 310,429</u>

There were no expenditures in excess of appropriations or authorizations in the individual budget accounts for the year.

## Schedule of Funding Progress Pension Plans



NEVADA

For the Fiscal Year Ended June 30, 2010

### Legislator's Retirement System (LRS)

*Schedule of Funding Progress* - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. During the fiscal year, the Plan changed the actuarial valuation date from a calendar year to a fiscal year to be consistent with the financial statements. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
01/01/07	\$ 5,884	\$ 4,323	\$ 1,561	73%	\$ 328	476%
01/01/09	5,955	4,229	1,726	71%	351	492%
07/01/10	5,608	4,134	1,474	74%	359	411%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends. Actuarial valuation is performed biennially; plans with biennial valuations need not present duplicate information for the intervening years.

LRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

### Judicial Retirement System (JRS)

*Schedule of Funding Progress* - Actuarial valuations of the JRS are prepared annually on a fiscal year basis to determine State contributions required to fund the system on an actuarial basis. During the fiscal year, the Plan changed the actuarial valuation date from a calendar year to a fiscal year to be consistent with the financial statements. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
01/01/08	\$ 62,067	\$ 40,076	\$ 21,991	65%	\$ 11,492	191%
01/01/09	67,192	39,764	27,428	59%	11,368	241%
07/01/10	80,447	47,281	33,166	59%	15,315	217%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

# Schedule of Infrastructure Condition and Maintenance Data



NEVADA

For the Fiscal Year Ended June 30, 2010

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expends certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,300 centerline miles of roads and approximately 1,100 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. During the current reporting period some of the bridge reporting and inspection methodologies changed. In prior years, bridges that were functionally obsolete and not eligible for federal funding were not reported as functionally obsolete. These bridges are now reported as functionally obsolete. In addition, the inspection methodologies have been refined, resulting in an increase of functionally obsolete bridges. These changes caused the State to exceed its 10 percent policy. The State is considering revising its policy to allow for these changes in reporting. The following tables show the State's policy and the condition level of the roadways and bridges.

<b>Condition Level of the Roadways</b>					
<b>Percentage of roadways with an IRI of less than 80</b>					
	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%

<b>Condition Level of the Bridges</b>			
<b>Percentage of substandard bridges</b>			
	2009	2007	2005
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	15%	4%	3%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

<b>Maintenance and Preservation Costs</b>					
<b>(Expressed in Thousands)</b>					
	2010	2009	2008	2007	2006
Estimated	\$ 181,054	\$ 124,926	\$ 155,051	\$ 243,191	\$ 207,751
Actual	151,448	121,798	146,507	218,923	196,080

Maintenance and preservation costs are primarily funded with the fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.



**Terribles Town 250 Off Road Race  
Jean, NV**

Photo Courtesy of Nevada Commission on Tourism

**Fishing at Wildhorse Reservoir, NV**  
Photo Courtesy of Nevada Department of Wildlife



# COMBINING STATEMENTS AND SCHEDULES



## **Fishing at Wildhorse Reservoir, NV**

Photo Courtesy of Nevada Department of Wildlife



# NONMAJOR GOVERNMENTAL FUNDS

## Nonmajor Special Revenue Funds

**Employment Security** Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

**Regulatory** Accounts for receipts and expenditures related to enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of transportation services (NRS 706.1516), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

**Legislative** Accounts for the necessary expenditures of the Legislature and Legislative Counsel Bureau (NRS 218.085).

**Higher Education Capital Construction** Accounts for the first \$5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

**Cleaning Up Petroleum Discharges** Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 590.830).

**Hospital Care to Indigent Persons** Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

**Tourism Promotion** Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

**Offenders' Store** Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

**Tobacco Settlement** Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926); fifty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) and ten percent of which is allocated to the Public Health Trust fund, for the purpose of assisting Nevada residents in obtaining and maintaining good health (NRS 439.605).

**Contingency** Accounts for funds appropriated by the Legislature for contingencies. Funds can be allocated to State agencies and officers by the Interim Finance Committee upon recommendation of the Board of Examiners (NRS 353.266).

**Care of Sites for Radioactive Waste Disposal** Accounts for receipts for the care of sites for the disposal of radioactive waste (NRS 459.231).

**Gift** Accounts for gifts and grants received by the Commission for the Preservation of Wild Horses (NRS 504.450), the Department of Conservation and Natural Resources (NRS 232.070), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Human Resources (NRS 232.355).

**Natural Resources** Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

**NV Real Property Corp General Fund** Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

**Stabilization** Accounts for funds appropriated by the Legislature to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or the Legislature and Governor declare that a fiscal emergency exists (NRS 353.288).

**Miscellaneous** Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); the office of advocate for customers of public utilities (NRS 228.310); and administration of capital improvement projects (NRS 341.146). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031); loans for farm projects (NRS 561.405); fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215); and funding of school improvement programs approved by the Legislature or Interim Finance Committee (NRS 387.032).

## **Nonmajor Debt Service Fund**

**Highway Revenue Bonds** Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

## **Nonmajor Capital Projects Funds**

**Parks Capital Project Construction** Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

**Capital Improvement Program - Motor Vehicle** Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

**Capital Improvement Program - Human Resources** Accounts for capital improvement projects for the Department of Human Resources (NRS 341.146).

**Capital Improvement Program - University System** Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

**Capital Improvement Program - General State Government** Accounts for capital improvement projects for general government (NRS 341.146).

**Capital Improvement Program - Prison System** Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

**Capital Improvement Program - Military** Accounts for capital improvement projects for the Department of Military (NRS 341.146).

**Capital Improvement Program - Wildlife** Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

## **Nonmajor Permanent Funds**

**Permanent School Fund** Accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. Earnings on the assets are to be used for education (State Constitution, Article 11, Section 3).

**Henry Wood Christmas Fund** Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

# Combining Balance Sheet Nonmajor Governmental Funds



NEVADA

June 30, 2010

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 137,677,946	\$ 35,840,820	\$163,818,916	\$ 8,814,653	\$ 346,152,335
Cash in custody of other officials	122,570	-	-	43,015,079	43,137,649
Investments	6,028,740	-	-	253,054,710	259,083,450
<i>Receivables:</i>					
Accounts receivable	21,634,031	-	-	-	21,634,031
Taxes receivable	5,733,304	-	-	-	5,733,304
Intergovernmental receivables	8,275,634	-	657,736	497,203	9,430,573
Accrued interest and dividends	2,129	-	-	1,341,121	1,343,250
Notes/loans receivable	23,069	-	-	-	23,069
Other receivables	1,000	-	-	-	1,000
Due from other funds	64,097,736	1	1,826,341	154,604	66,078,682
Due from fiduciary funds	422,492	-	-	-	422,492
Due from component units	55	-	85,945	-	86,000
Inventory	1,125,257	-	-	-	1,125,257
Prepaid items	98,629	-	-	-	98,629
<b>Total assets</b>	<b>\$ 245,242,592</b>	<b>\$ 35,840,821</b>	<b>\$166,388,938</b>	<b>\$306,877,370</b>	<b>\$ 754,349,721</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 12,063,062	\$ -	\$ 95,145	\$ -	\$ 12,158,207
Accrued payroll and related liabilities	3,868,250	-	-	-	3,868,250
Intergovernmental payables	1,979,095	-	11,722	-	1,990,817
Contracts payable	-	-	4,698,348	-	4,698,348
Retention payable	-	-	7,819,616	-	7,819,616
Due to other funds	23,611,424	-	13,345,510	6,583,737	43,540,671
Due to fiduciary funds	128,588	-	-	-	128,588
Due to component units	442,448	-	58,367,705	-	58,810,153
Deferred revenues	21,278,591	-	143,479	307	21,422,377
Other liabilities	-	-	-	553,932	553,932
<b>Total liabilities</b>	<b>63,371,458</b>	<b>-</b>	<b>84,481,525</b>	<b>7,137,976</b>	<b>154,990,959</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	578,923	-	21,964,150	-	22,543,073
Inventories	1,125,257	-	-	-	1,125,257
Funds held as permanent investments	199,915	-	-	299,719,217	299,919,132
Fiscal emergency	41,321,014	-	-	-	41,321,014
Debt service	-	35,840,821	-	-	35,840,821
Other	3,383,938	-	-	-	3,383,938
<i>Unreserved:</i>					
<i>Designated:</i>					
Approved capital projects	-	-	59,943,263	-	59,943,263
Other	1,200,000	-	-	-	1,200,000
Undesignated	134,062,087	-	-	20,177	134,082,264
<b>Total fund balances</b>	<b>181,871,134</b>	<b>35,840,821</b>	<b>81,907,413</b>	<b>299,739,394</b>	<b>599,358,762</b>
<b>Total liabilities and fund balances</b>	<b>\$ 245,242,592</b>	<b>\$ 35,840,821</b>	<b>\$166,388,938</b>	<b>\$306,877,370</b>	<b>\$ 754,349,721</b>

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds



NEVADA

For the Fiscal Year Ended June 30, 2010

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ 14,678,019	\$ -	\$ -	\$ -	\$ 14,678,019
Property and transfer taxes	26,848,669	-	-	-	26,848,669
Motor and special fuel taxes	-	89,297,677	-	-	89,297,677
Other taxes	40,133,870	-	-	-	40,133,870
Intergovernmental	96,776,741	-	2,858,984	-	99,635,725
Licenses, fees and permits	31,356,427	-	-	-	31,356,427
Sales and charges for services	16,628,028	-	-	-	16,628,028
Interest and investment income	1,402,171	-	530	7,920,230	9,322,931
Tobacco settlement income	41,962,948	-	-	-	41,962,948
Land sales	-	-	-	964,965	964,965
Other	6,760,446	-	8,342	7,250,543	14,019,331
<b>Total revenues</b>	<b>276,547,319</b>	<b>89,297,677</b>	<b>2,867,856</b>	<b>16,135,738</b>	<b>384,848,590</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	46,251,608	-	-	-	46,251,608
Health and social services	116,958,029	-	-	-	116,958,029
Education and support services	484,527	-	-	-	484,527
Law, justice and public safety	16,325,234	-	-	-	16,325,234
Regulation of business	22,260,041	-	-	-	22,260,041
Recreation, resource development	22,665,407	-	-	-	22,665,407
Intergovernmental	38,147,805	-	38,677,752	-	76,825,557
Capital outlay	-	-	59,520,431	-	59,520,431
<i>Debt service:</i>					
Principal	189,265	54,040,000	-	-	54,229,265
Interest, fiscal charges	236,725	33,875,760	-	-	34,112,485
Debt issuance costs	250,063	-	535,876	-	785,939
<b>Total expenditures</b>	<b>263,768,704</b>	<b>87,915,760</b>	<b>98,734,059</b>	<b>-</b>	<b>450,418,523</b>
Excess (deficiency) of revenues over expenditures	12,778,615	1,381,917	(95,866,203)	16,135,738	(65,569,933)
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	17,828,580	-	74,842,257	-	92,670,837
Premium on general obligation bonds	502,771	-	596,131	-	1,098,902
Sale of refunding certificates of participation	7,900,000	-	-	-	7,900,000
Premium on certificates of participation	742,775	-	-	-	742,775
Payment to refunded certificates of participation agent	(8,465,569)	-	-	-	(8,465,569)
Sale of capital assets	5,315	-	-	-	5,315
Transfers in	112,453,531	-	4,855,710	-	117,309,241
Transfers out	(149,337,380)	-	(10,912,067)	(7,945,788)	(168,195,235)
<b>Total other financing sources (uses)</b>	<b>(18,369,977)</b>	<b>-</b>	<b>69,382,031</b>	<b>(7,945,788)</b>	<b>43,066,266</b>
Net change in fund balances	(5,591,362)	1,381,917	(26,484,172)	8,189,950	(22,503,667)
Fund balances, July 1	187,462,496	34,458,904	108,391,585	291,549,444	621,862,429
<b>Fund balances, June 30</b>	<b>\$181,871,134</b>	<b>\$ 35,840,821</b>	<b>\$ 81,907,413</b>	<b>\$299,739,394</b>	<b>\$ 599,358,762</b>

# Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2010

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 5,771,216	\$ 8,784,456	\$ 9,261,654	\$ 3,121,204	\$ 8,364,247
Cash in custody of other officials	125	2,750	64,511	-	-
Investments	-	-	-	-	-
<i>Receivables:</i>					
Accounts receivable	238,592	903,987	73,772	-	300
Taxes receivable	2,262,641	-	-	-	-
Intergovernmental receivables	7,581,267	10,541	-	-	-
Accrued interest and dividends	-	-	-	-	-
Notes/loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	1,415,481	78,374	58,676	12,614,001	28,102
Due from fiduciary funds	-	-	-	-	-
Due from component units	-	-	55	-	-
Inventory	-	-	633,939	-	-
Prepaid items	-	88,575	10,054	-	-
<b>Total assets</b>	<b>\$ 17,269,322</b>	<b>\$ 9,868,683</b>	<b>\$ 10,102,661</b>	<b>\$ 15,735,205</b>	<b>\$ 8,392,649</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 2,132,065	\$ 122,715	\$ 312,080	\$ 10,750	\$ 95
Accrued payroll and related liabilities	1,791,744	776,242	700,790	-	327
Intergovernmental payables	9,309	-	2,882	-	-
Due to other funds	2,263,844	312,515	14,113	5,011,000	76,685
Due to fiduciary funds	2,899	49	118,577	-	-
Due to component units	414,717	2,500	-	-	-
Deferred revenues	1,621	1,016,044	-	-	4,069
<b>Total liabilities</b>	<b>6,616,199</b>	<b>2,230,065</b>	<b>1,148,442</b>	<b>5,021,750</b>	<b>81,176</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	212,565	70,632	201,361	-	-
Inventories	-	-	633,939	-	-
Funds held as permanent investments	-	-	-	-	-
Fiscal emergency	-	-	-	-	-
Other	-	88,575	992,260	-	-
<i>Unreserved:</i>					
<i>Designated:</i>					
Other	-	-	1,200,000	-	-
Undesignated	10,440,558	7,479,411	5,926,659	10,713,455	8,311,473
<b>Total fund balances</b>	<b>10,653,123</b>	<b>7,638,618</b>	<b>8,954,219</b>	<b>10,713,455</b>	<b>8,311,473</b>
<b>Total liabilities and fund balances</b>	<b>\$ 17,269,322</b>	<b>\$ 9,868,683</b>	<b>\$ 10,102,661</b>	<b>\$ 15,735,205</b>	<b>\$ 8,392,649</b>



Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal	Gift
\$ 2,269,671	\$ 2,832,204	\$ 4,077,485	\$ 24,837,405	\$ 20,500,421	\$ 500,254	\$ 2,737,982
-	-	-	-	-	-	22,604
-	-	-	-	-	-	138,432
-	10,005	779,133	19,539,837	-	37,026	245
1,027,959	2,442,704	-	-	-	-	-
-	-	-	-	-	-	79,230
-	-	-	-	-	-	960
-	-	-	-	-	-	-
-	-	-	-	-	-	1,000
79,054	200,105	29,725	2,841,346	441,565	344	9,230
-	-	400,241	-	-	-	-
-	-	-	-	-	-	-
-	-	304,687	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,376,684</u>	<u>\$ 5,485,018</u>	<u>\$ 5,591,271</u>	<u>\$ 47,218,588</u>	<u>\$ 20,941,986</u>	<u>\$ 537,624</u>	<u>\$ 2,989,683</u>
\$ -	\$ 1,578,953	\$ 371,097	\$ 251,604	\$ 13,050	\$ 4,084	\$ 33,700
-	79,908	144,638	25,372	-	-	27,305
1,387,431	219,869	-	108,733	-	-	239,540
1,921,160	509,100	663,931	1,999,559	10,425,836	4,745	5,195
-	-	6,618	-	410	-	-
-	-	-	25,231	-	-	-
4,149	6	505,964	19,514,772	-	53	1,192
<u>3,312,740</u>	<u>2,387,836</u>	<u>1,692,248</u>	<u>21,925,271</u>	<u>10,439,296</u>	<u>8,882</u>	<u>306,932</u>
-	24,745	48,115	5,762	-	-	6,500
-	-	304,687	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,280,034	-	-
-	-	-	-	-	-	-
63,944	3,072,437	3,546,221	25,287,555	8,222,656	528,742	2,676,251
63,944	3,097,182	3,899,023	25,293,317	10,502,690	528,742	2,682,751
<u>\$ 3,376,684</u>	<u>\$ 5,485,018</u>	<u>\$ 5,591,271</u>	<u>\$ 47,218,588</u>	<u>\$ 20,941,986</u>	<u>\$ 537,624</u>	<u>\$ 2,989,683</u>

# Combining Balance Sheet Nonmajor Special Revenue Funds



NEVADA

June 30, 2010

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	Natural Resources	NV Real Property Corp General Fund	Stabilization	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 30,897,522	\$ -	\$ 2,995,504	\$ 10,726,721	\$ 137,677,946
Cash in custody of other officials	-	-	-	32,580	122,570
Investments	-	4,837,298	-	1,053,010	6,028,740
<i>Receivables:</i>					
Accounts receivable	-	-	-	51,134	21,634,031
Taxes receivable	-	-	-	-	5,733,304
Intergovernmental receivables	-	-	-	604,596	8,275,634
Accrued interest and dividends	-	-	-	1,169	2,129
Notes/loans receivable	-	-	-	23,069	23,069
Other receivables	-	-	-	-	1,000
Due from other funds	4,715,844	-	41,327,791	258,098	64,097,736
Due from fiduciary funds	-	-	-	22,251	422,492
Due from component units	-	-	-	-	55
Inventory	-	-	-	186,631	1,125,257
Prepaid items	-	-	-	-	98,629
<b>Total assets</b>	<b>\$ 35,613,366</b>	<b>\$ 4,837,298</b>	<b>\$ 44,323,295</b>	<b>\$ 12,959,259</b>	<b>\$ 245,242,592</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 79,617	\$ -	\$ 295	\$ 7,152,957	\$ 12,063,062
Accrued payroll and related liabilities	-	-	-	321,924	3,868,250
Intergovernmental payables	11,331	-	-	-	1,979,095
Due to other funds	192,749	-	-	210,992	23,611,424
Due to fiduciary funds	-	-	-	35	128,588
Due to component units	-	-	-	-	442,448
Deferred revenues	14,200	-	1,052	215,469	21,278,591
<b>Total liabilities</b>	<b>297,897</b>	<b>-</b>	<b>1,347</b>	<b>7,901,377</b>	<b>63,371,458</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	-	-	-	9,243	578,923
Inventories	-	-	-	186,631	1,125,257
Funds held as permanent investments	-	-	-	199,915	199,915
Fiscal emergency	-	-	41,321,014	-	41,321,014
Other	-	-	-	23,069	3,383,938
<i>Unreserved:</i>					
<i>Designated:</i>					
Other	-	-	-	-	1,200,000
Undesignated	35,315,469	4,837,298	3,000,934	4,639,024	134,062,087
<b>Total fund balances</b>	<b>35,315,469</b>	<b>4,837,298</b>	<b>44,321,948</b>	<b>5,057,882</b>	<b>181,871,134</b>
<b>Total liabilities and fund balances</b>	<b>\$ 35,613,366</b>	<b>\$ 4,837,298</b>	<b>\$ 44,323,295</b>	<b>\$ 12,959,259</b>	<b>\$ 245,242,592</b>

**Mountaineering Ruby Mountains, NV**  
Photo Courtesy of Nevada Commission on Tourism





## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2010

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 14,678,019	\$ -
Property and transfer taxes	-	-	-	-	-
Other taxes	9,899,256	57,064	-	-	12,232,085
Intergovernmental	90,661,147	571,611	-	2,500,000	-
Licenses, fees and permits	325,868	18,465,653	-	-	415,500
Sales and charges for services	1,067,327	6,350	779,225	-	-
Interest and investment income	176,699	14,051	-	-	2,961
Tobacco settlement income	-	-	-	-	-
Other	1,417,250	544,650	122,886	-	-
<b>Total revenues</b>	<b>103,547,547</b>	<b>19,659,379</b>	<b>902,111</b>	<b>17,178,019</b>	<b>12,650,546</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	-	-	30,057,123	-	-
Health and social services	108,477,546	-	-	-	-
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	21,900,207	-	-	-
Recreation, resource development	-	-	-	-	8,721,181
Intergovernmental	-	-	-	-	449,213
<i>Debt service:</i>					
Principal	-	-	185,407	-	-
Interest	-	-	236,062	650	-
Debt issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>108,477,546</b>	<b>21,900,207</b>	<b>30,478,592</b>	<b>650</b>	<b>9,170,394</b>
Excess (deficiency) of revenues over expenditures	(4,929,999)	(2,240,828)	(29,576,481)	17,177,369	3,480,152
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Sale of refunding certificates of participation	-	-	-	-	-
Premium on certificates of participation	-	-	-	-	-
Payment to refunded certificates of participation agent	-	-	-	-	-
Sale of capital assets	495	4,160	-	-	-
Transfers in	6,406,961	2,729,102	30,123,309	-	-
Transfers out	(8,141,650)	(2,439,083)	(182,479)	(12,904,438)	(1,946,156)
<b>Total other financing sources (uses)</b>	<b>(1,734,194)</b>	<b>294,179</b>	<b>29,940,830</b>	<b>(12,904,438)</b>	<b>(1,946,156)</b>
Net change in fund balances	(6,664,193)	(1,946,649)	364,349	4,272,931	1,533,996
Fund balances, July 1	17,317,316	9,585,267	8,589,870	6,440,524	6,777,477
<b>Fund balances, June 30</b>	<b>\$ 10,653,123</b>	<b>\$ 7,638,618</b>	<b>\$ 8,954,219</b>	<b>\$ 10,713,455</b>	<b>\$ 8,311,473</b>



Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal	Gift
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,848,669	-	-	-	-	-	-
-	13,835,453	-	-	-	-	-
-	-	-	-	-	-	-
-	8,205	-	-	-	128,556	1,066,399
-	-	14,261,579	-	-	-	1,698
83,462	286	51,401	283,477	-	196,806	48,639
-	-	-	41,962,948	-	-	-
-	16,444	38,800	15,251	-	-	216,809
<u>26,932,131</u>	<u>13,860,388</u>	<u>14,351,780</u>	<u>42,261,676</u>	<u>-</u>	<u>325,362</u>	<u>1,333,545</u>
-	-	-	366,723	149,099	-	-
100,001	-	-	7,906,928	-	15,513	458,041
-	-	-	-	-	-	11,091
-	-	12,390,801	-	-	-	-
-	-	-	-	-	-	-
-	9,824,278	-	-	-	-	174,302
1,387,431	-	-	26,677,607	-	-	1,013,016
-	-	3,858	-	-	-	-
-	-	13	-	-	-	-
-	-	-	-	-	-	-
<u>1,487,432</u>	<u>9,824,278</u>	<u>12,394,672</u>	<u>34,951,258</u>	<u>149,099</u>	<u>15,513</u>	<u>1,656,450</u>
<u>25,444,699</u>	<u>4,036,110</u>	<u>1,957,108</u>	<u>7,310,418</u>	<u>(149,099)</u>	<u>309,849</u>	<u>(322,905)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
52,317	73,127	4,122	3,232,443	27,151,987	-	483
<u>(25,467,492)</u>	<u>(3,754,590)</u>	<u>(3,544,882)</u>	<u>(35,132,288)</u>	<u>(36,907,078)</u>	<u>(9,069,731)</u>	<u>(4,858)</u>
<u>(25,415,175)</u>	<u>(3,681,463)</u>	<u>(3,540,760)</u>	<u>(31,899,845)</u>	<u>(9,755,091)</u>	<u>(9,069,731)</u>	<u>(4,375)</u>
29,524	354,647	(1,583,652)	(24,589,427)	(9,904,190)	(8,759,882)	(327,280)
34,420	2,742,535	5,482,675	49,882,744	20,406,880	9,288,624	3,010,031
<u>\$ 63,944</u>	<u>\$ 3,097,182</u>	<u>\$ 3,899,023</u>	<u>\$ 25,293,317</u>	<u>\$ 10,502,690</u>	<u>\$ 528,742</u>	<u>\$ 2,682,751</u>

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds



NEVADA

For the Fiscal Year Ended June 30, 2010

Page 2 of 2

	Natural Resources	NV Real Property Corp General Fund	Stabilization	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ -	\$ 14,678,019
Property and transfer taxes	-	-	-	-	26,848,669
Other taxes	-	-	-	4,110,012	40,133,870
Intergovernmental	414,710	-	-	2,629,273	96,776,741
Licenses, fees and permits	-	-	-	10,946,246	31,356,427
Sales and charges for services	-	-	-	511,849	16,628,028
Interest and investment income	90,608	204,020	98,075	151,686	1,402,171
Tobacco settlement income	-	-	-	-	41,962,948
Other	-	2,757,166	32,198	1,598,992	6,760,446
<b>Total revenues</b>	<b>505,318</b>	<b>2,961,186</b>	<b>130,273</b>	<b>19,948,058</b>	<b>276,547,319</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	-	398	-	15,678,265	46,251,608
Health and social services	-	-	-	-	116,958,029
Education and support services	-	-	-	473,436	484,527
Law, justice and public safety	-	-	-	3,934,433	16,325,234
Regulation of business	-	-	-	359,834	22,260,041
Recreation, resource development	3,945,647	-	-	-	22,665,408
Intergovernmental	8,620,538	-	-	-	38,147,805
<i>Debt service:</i>					
Principal	-	-	-	-	189,265
Interest	-	-	-	-	236,725
Debt issuance costs	101,928	148,135	-	-	250,063
<b>Total expenditures</b>	<b>12,668,113</b>	<b>148,533</b>	<b>-</b>	<b>20,445,968</b>	<b>263,768,705</b>
Excess (deficiency) of revenues over expenditures	(12,162,795)	2,812,653	130,273	(497,910)	12,778,614
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	17,828,580	-	-	-	17,828,580
Premium on general obligation bonds	502,771	-	-	-	502,771
Sale of refunding certificates of participation	-	7,900,000	-	-	7,900,000
Premium on certificates of participation	-	742,775	-	-	742,775
Payment to refunded certificates of participation agent	-	(8,465,569)	-	-	(8,465,569)
Sale of capital assets	-	-	660	-	5,315
Transfers in	-	-	41,447,517	1,232,163	112,453,531
Transfers out	(750,677)	(2,931,719)	(5,187,114)	(973,144)	(149,337,379)
<b>Total other financing sources (uses)</b>	<b>17,580,674</b>	<b>(2,754,513)</b>	<b>36,261,063</b>	<b>259,019</b>	<b>(18,369,976)</b>
Net change in fund balances	5,417,879	58,140	36,391,336	(238,891)	(5,591,362)
Fund balances, July 1	29,897,590	4,779,158	7,930,612	5,296,773	187,462,496
<b>Fund balances, June 30</b>	<b>\$35,315,469</b>	<b>\$ 4,837,298</b>	<b>\$44,321,948</b>	<b>\$ 5,057,882</b>	<b>\$181,871,134</b>

**Viking Boatsman Cave Lake, NV**

Photo Courtesy of Nevada Commission on Tourism



# Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2010

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
<b>Assets</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 112,866	\$ 675,596	\$ 17,854,995	\$ 67,457,967	\$ 27,495,416	\$ 31,829,384
Cash in custody of other officials	-	-	-	-	-	-
Investments	-	-	-	-	-	-
<i>Receivables:</i>						
Intergovernmental receivables	-	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-	-
Due from other funds	10,917	239,060	-	1,383,991	15,026	-
Due from component units	-	-	-	-	85,945	-
<b>Total assets</b>	<b>\$ 123,783</b>	<b>\$ 914,656</b>	<b>\$ 17,854,995</b>	<b>\$ 68,841,958</b>	<b>\$ 27,596,387</b>	<b>\$ 31,829,384</b>
<b>Liabilities and Fund Balances</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 113	\$ 4,510	\$ 8	\$ 12,649	\$ 5,978	\$ 49,363
Intergovernmental payables	-	-	-	-	-	166
Contracts payable	-	232,363	165,398	2,128,445	466,048	1,352,978
Retentions payable	-	75,986	5,758	4,354,889	168,304	3,103,100
Due to other funds	123,670	7,870	111,084	3,838,954	4,480,724	3,643,259
Due to component units	-	-	-	58,363,542	-	-
Deferred revenues	-	-	-	143,479	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>123,783</b>	<b>320,729</b>	<b>282,248</b>	<b>68,841,958</b>	<b>5,121,054</b>	<b>8,148,866</b>
<b>Fund balances:</b>						
<i>Reserved:</i>						
Encumbrances and contracts	-	151,374	1,704,536	-	10,821,485	5,150,719
Funds held as permanent investments	-	-	-	-	-	-
<i>Unreserved:</i>						
Designated for approved capital projects	-	442,553	15,868,211	-	11,653,848	18,529,799
Undesignated	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>593,927</b>	<b>17,572,747</b>	<b>-</b>	<b>22,475,333</b>	<b>23,680,518</b>
<b>Total liabilities and fund balances</b>	<b>\$ 123,783</b>	<b>\$ 914,656</b>	<b>\$ 17,854,995</b>	<b>\$ 68,841,958</b>	<b>\$ 27,596,387</b>	<b>\$ 31,829,384</b>



NEVADA

Capital Projects Funds			Permanent Funds		
CIP Military	CIP Wildlife	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 18,259,543	\$ 133,149	\$ 163,818,916	\$ 8,764,116	\$ 50,537	\$ 8,814,653
-	-	-	43,015,079	-	43,015,079
-	-	-	253,054,710	-	253,054,710
644,864	12,872	657,736	497,203	-	497,203
-	-	-	1,341,121	-	1,341,121
34,971	142,376	1,826,341	154,458	146	154,604
-	-	85,945	-	-	-
<u>\$ 18,939,378</u>	<u>\$ 288,397</u>	<u>\$ 166,388,938</u>	<u>\$ 306,826,687</u>	<u>\$ 50,683</u>	<u>\$ 306,877,370</u>
\$ 3,311	\$ 19,213	\$ 95,145	\$ -	\$ -	\$ -
-	11,556	11,722	-	-	-
313,555	39,561	4,698,348	-	-	-
111,579	-	7,819,616	-	-	-
1,132,179	7,770	13,345,510	6,583,254	483	6,583,737
-	4,163	58,367,705	-	-	-
-	-	143,479	284	23	307
-	-	-	553,932	-	553,932
<u>1,560,624</u>	<u>82,263</u>	<u>84,481,525</u>	<u>7,137,470</u>	<u>506</u>	<u>7,137,976</u>
3,929,902	206,134	21,964,150	-	-	-
-	-	-	299,689,217	30,000	299,719,217
13,448,852	-	59,943,263	-	-	-
-	-	-	-	20,177	20,177
<u>17,378,754</u>	<u>206,134</u>	<u>81,907,413</u>	<u>299,689,217</u>	<u>50,177</u>	<u>299,739,394</u>
<u>\$ 18,939,378</u>	<u>\$ 288,397</u>	<u>\$ 166,388,938</u>	<u>\$ 306,826,687</u>	<u>\$ 50,683</u>	<u>\$ 306,877,370</u>

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2010

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	530	-	-	-	-	-
Land sales	-	-	-	-	-	-
Other	8,342	-	-	-	-	-
<b>Total revenues</b>	<b>8,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>						
<i>Current:</i>						
Intergovernmental	-	2,406,872	-	36,270,880	-	-
Capital outlay	136,719	10,128,130	1,959,996	-	6,234,924	34,220,777
<i>Debt service:</i>						
Debt issuance costs	-	-	15,153	262,624	131,755	40,438
<b>Total expenditures</b>	<b>136,719</b>	<b>12,535,002</b>	<b>1,975,149</b>	<b>36,533,504</b>	<b>6,366,679</b>	<b>34,261,215</b>
Excess (deficiency) of revenues over expenditures	(127,847)	(12,535,002)	(1,975,149)	(36,533,504)	(6,366,679)	(34,261,215)
<b>Other Financing Sources (Uses)</b>						
Sale of general obligation bonds	-	-	2,157,417	35,937,373	18,758,982	5,757,444
Premium on general obligation bonds	-	-	-	596,131	-	-
Transfers in	119,768	498,639	-	-	452,958	933,638
Transfers out	-	(23,904)	(96,171)	-	(5,051,188)	(3,625,609)
<b>Total other financing sources (uses)</b>	<b>119,768</b>	<b>474,735</b>	<b>2,061,246</b>	<b>36,533,504</b>	<b>14,160,752</b>	<b>3,065,473</b>
Net change in fund balances	(8,079)	(12,060,267)	86,097	-	7,794,073	(31,195,742)
Fund balances, July 1	8,079	12,654,194	17,486,650	-	14,681,260	54,876,260
<b>Fund balances, June 30</b>	<b>\$ -</b>	<b>\$ 593,927</b>	<b>\$ 17,572,747</b>	<b>\$ -</b>	<b>\$ 22,475,333</b>	<b>\$ 23,680,518</b>



NEVADA

Capital Projects Funds			Permanent Funds		
CIP Military	CIP Wildlife	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 2,731,948	\$ 127,036	\$ 2,858,984	\$ -	\$ -	\$ -
-	-	530	7,920,044	186	7,920,230
-	-	-	964,965	-	964,965
-	-	8,342	7,250,543	-	7,250,543
<u>2,731,948</u>	<u>127,036</u>	<u>2,867,856</u>	<u>16,135,552</u>	<u>186</u>	<u>16,135,738</u>
-	-	38,677,752	-	-	-
4,001,886	2,837,999	59,520,431	-	-	-
85,906	-	535,876	-	-	-
<u>4,087,792</u>	<u>2,837,999</u>	<u>98,734,059</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,355,844)</u>	<u>(2,710,963)</u>	<u>(95,866,203)</u>	<u>16,135,552</u>	<u>186</u>	<u>16,135,738</u>
12,231,041	-	74,842,257	-	-	-
-	-	596,131	-	-	-
318,230	2,532,477	4,855,710	-	-	-
<u>(2,074,536)</u>	<u>(40,659)</u>	<u>(10,912,067)</u>	<u>(7,945,305)</u>	<u>(483)</u>	<u>(7,945,788)</u>
<u>10,474,735</u>	<u>2,491,818</u>	<u>69,382,031</u>	<u>(7,945,305)</u>	<u>(483)</u>	<u>(7,945,788)</u>
9,118,891	(219,145)	(26,484,172)	8,190,247	(297)	8,189,950
8,259,863	425,279	108,391,585	291,498,970	50,474	291,549,444
<u>\$ 17,378,754</u>	<u>\$ 206,134</u>	<u>\$ 81,907,413</u>	<u>\$ 299,689,217</u>	<u>\$ 50,177</u>	<u>\$ 299,739,394</u>



## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2010

Page 1 of 9

	Final Budget	Actual	Variance
	\$	\$	\$
<b>General Fund Unbudgeted Activity</b>	-		
<b>Constitutional Agencies</b>		1,345,197	(1,345,197)
<b>Executive Branch</b>			
Office of the Governor	2,510,434	2,475,276	35,158
State Fiscal Stabilization	256,956,692	256,956,690	2
Governor's Mansion Maintenance	274,208	253,617	20,591
Governor's Office of Consumer Health Assistance	967,535	781,734	185,801
Governor's Office Homeland Security	2,887,112	2,079,947	807,165
Governor's Washington Office	247,079	247,079	-
Ethics Commission	634,983	621,836	13,147
High Level Nuclear Waste	2,112,825	2,050,149	62,676
Petroleum Overcharge Rebate	186,718	76,652	110,066
Governor's Office Energy Conservation	48,192,075	11,804,222	36,387,853
Lieutenant Governor	561,623	534,457	27,166
Attorney General Administrative Account	24,678,994	23,931,994	747,000
Attorney General Extradition Coordinator	635,962	635,961	1
Attorney General Special Fund	7,025,848	3,388,984	3,636,864
Attorney General Workers' Compensation Fraud	4,312,324	3,613,294	699,030
Attorney General Crime Prevention	277,830	275,902	1,928
Attorney General Medicaid Fraud	4,625,530	1,824,462	2,801,068
Attorney General Violence Against Women Grants	3,849,813	1,988,320	1,861,493
Attorney General Council For Prosecuting Attorneys	294,569	195,716	98,853
Attorney General Victims of Domestic Violence	1,033,846	234,254	799,592
Private Investigators Licensing Board	1,038,202	885,150	153,052
Secretary of State	17,094,154	13,949,686	3,144,468
Secretary of State HAVA Election Reform	7,975,529	1,457,062	6,518,467
Secretary of State Advisory Committee Gift	61	-	61
Notary Training	359,814	162,188	197,626
State Treasurer	2,546,968	2,408,847	138,121
Silicosis and Disabled Pensions	348,542	59,334	289,208
Nevada College Savings Trust	816,208	576,833	239,375
Endowment Account	10,419,813	8,383,626	2,036,187
College Savings Private Entity	183,248	33,106	150,142
Unclaimed Property	2,457,396	1,933,278	524,118
Controller's Office	4,554,149	4,426,635	127,514
Debt Recovery	430,000	1,022	428,978
<b>Judicial Branch</b>			
Administrative Office of the Courts	4,855,274	3,246,295	1,608,979
Division of Planning and Analysis	1,622,115	1,151,537	470,578
Uniform System of Judicial Records	3,674,899	1,693,039	1,981,860
Judicial Education	3,050,412	1,815,675	1,234,737
District Judges' Salary	16,648,614	16,600,444	48,170
Judicial Travel and Support	650,637	190,834	459,803
District Judge/Surviving Spouse Pension	1,788,200	1,788,200	-
Supreme Court	13,048,382	12,738,700	309,682
Specialty Court	8,381,870	6,203,417	2,178,453
Senior Justice and Senior Judge Program	1,511,778	1,460,665	51,113
Judicial Selection	3,213	3,212	1
Foreclosure Mediation Program	8,043,742	3,404,865	4,638,877
Legislative Counsel Bureau Disbursement	2,031,098	19,569	2,011,529
So Nevada Community Project Fund	67,162	-	67,162
Law Library Gift Fund	79,516	7,112	72,404
Law Library	1,637,896	1,637,393	503
Judicial Discipline	671,487	525,055	146,432
	478,256,379	400,733,325	77,523,054
<b>Finance and Administration</b>			
<b>Administration</b>			
Construction Education Account	777,657	343,647	434,010
Deferred Compensation Committee	825,629	718,369	107,260
Commission For Women	1,504	-	1,504



	Final Budget	Actual	Variance
Special Appropriations	\$ 135,053	\$ 48,840	\$ 86,213
Judicial College/Juvenile and Family Justice	322,050	322,050	-
Information Technology Division	640,171	629,934	10,237
Information Technology Projects	5,688,543	5,688,542	1
Budget and Planning	3,228,655	3,161,614	67,041
Division of Internal Audits	1,589,060	1,581,116	7,944
Graffiti Reward Fund	12,135	10,908	1,227
Merit Award Board	4,151	400	3,751
Controlled Substance Grants	5,796	3,796	2,000
Commodity Food Program	14,269,764	8,736,962	5,532,802
Roof Maintenance Reserve	920,830	44,062	876,768
Public Works Administration	260,084	256,941	3,143
School Plan Checking	279,772	25,847	253,925
Administration - Hearings Division	4,512,177	4,427,267	84,910
State Claims	5,500,000	3,942,950	1,557,050
Emergency Fund	514,179	225,950	288,229
Statutory Contingency	3,523,889	1,459,120	2,064,769
<b>Taxation</b>			
Department of Taxation	27,785,708	27,509,405	276,303
<b>Personnel</b>			
State Unemployment Compensation	6,165,939	2,478,623	3,687,316
	<u>76,962,746</u>	<u>61,616,343</u>	<u>15,346,403</u>
<b>Education</b>			
<b>Education</b>			
Drug Abuse Education	1,793,935	908,660	885,275
Student Incentive Grants	536,459	535,401	1,058
Distributive School Account	1,382,403,878	1,361,639,054	20,764,824
School Health Education - AIDS	273,185	212,102	61,083
School Remediation	26,457,626	26,221,025	236,601
Education State Programs	3,870,645	3,794,549	76,096
Educational Trust Fund	49,481	-	49,481
Career and Technical Education	10,447,851	8,613,902	1,833,949
Gear Up	3,672,093	2,021,511	1,650,582
Gear Up Scholarship Trust	11,736,183	458,692	11,277,491
Continuing Education	5,813,475	5,517,274	296,201
Proficiency Testing	5,959,230	5,284,794	674,436
Other State Education Programs	10,315,445	9,977,174	338,271
Education Technology Trust	20,844	-	20,844
Teacher Education and Licensing	2,195,053	1,337,841	857,212
Discretionary Grants - Unrestricted	1,482,194	772,430	709,764
Discretionary Grants - Restricted	25,785,983	14,848,177	10,937,806
Elementary and Secondary Ed - Title I	182,051,001	95,068,130	86,982,871
Elementary and Secondary Ed Titles II, V & VI	37,834,966	27,677,659	10,157,307
Individuals with Disabilities (IDEA)	162,535,816	99,525,663	63,010,153
Education Staffing Services	1,492,121	1,251,436	240,685
Education Support Services	3,741,257	2,644,901	1,096,356
Incentives for Licensed Educational Personnel	31,444,244	22,366,247	9,077,997
Nutrition Education Programs	93,608,165	90,331,266	3,276,899
Commission on Postsecondary Education	417,264	408,737	8,527
Student Indemnification Account	755,151	438,422	316,729
<b>Cultural Affairs</b>			
Cultural Affairs Administration	867,224	816,490	50,734
Lost City Museum	429,475	338,690	90,785
LV Springs Preserve Museum Dev	4,004,084	1,379,554	2,624,530
Nevada Historical Society	469,804	417,940	51,864
State Museum, Carson City	1,403,924	1,352,154	51,770
Museums and History	427,808	418,527	9,281

## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis All General Fund Budgets

For the Fiscal Year Ended June 30, 2010

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	Final Budget	Actual	Variance
Museum and Historical Society - Las Vegas	\$ 946,187	\$ 875,792	\$ 70,395
State Railroad Museums	1,666,828	1,099,062	567,766
Archives and Records	800,074	690,301	109,773
Micrographics and Imaging	558,301	456,821	101,480
Nevada State Library	5,957,407	5,629,063	328,344
Nevada State Library-Literacy	171,120	149,503	21,617
Nevada Humanities	50,000	50,000	-
Nevada State Library - CLAN	574,111	276,757	297,354
Nevada Arts Council	2,454,696	2,204,507	250,189
Cultural Resource Program	5,753,691	2,762,307	2,991,384
Historic Preservation	1,912,730	1,218,677	694,053
Comstock Historic District	143,061	141,066	1,995
Comstock Historical District Gifts	144,611	27,976	116,635
<b>Nevada System of Higher Education</b>			
Special Projects	4,539,064	2,943,075	1,595,989
Education for Dependent Children	25,474	15,366	10,108
University of Nevada - Reno	176,514,332	174,888,811	1,625,521
School of Medical Sciences	32,996,770	32,907,306	89,464
Intercollegiate Athletics UNR	5,850,604	5,850,602	2
Statewide Programs - UNR	5,746,204	5,746,204	-
University System Administration	5,017,186	5,017,186	-
University of Nevada Las Vegas	245,055,624	243,254,749	1,800,875
Intercollegiate Athletics UNLV	7,749,932	7,749,932	-
Agricultural Experiment Station	9,403,998	9,403,998	-
Cooperative Extension Service	9,916,661	9,858,239	58,422
System Computing Center	19,428,946	19,428,946	-
UNLV Law School	12,350,564	12,188,349	162,215
National Direct Student Loan Program	42,699	42,699	-
University Press	795,751	795,751	-
Anatomical Gift	354,790	75,000	279,790
Statewide Programs - UNLV	1,281,008	1,281,008	-
UNLV Dental School	14,243,483	14,170,585	72,898
Business Center North	2,227,906	2,227,906	-
Business Center South	1,909,549	1,909,549	-
Collegiate License Plate Account	275,355	207,114	68,241
Nevada State College at Henderson	16,949,746	16,625,330	324,416
Community College of Southern Nevada	131,691,579	131,435,327	256,252
Laboratory and Research	1,772,797	1,772,797	-
Great Basin College	19,915,246	19,842,495	72,751
Desert Research Institute	9,406,565	8,479,604	926,961
Western Nevada Community College	23,366,712	23,327,369	39,343
Truckee Meadows Community College	48,858,051	48,064,801	793,250
<b>WICHE Program</b>			
WICHE Loan and Stipend	1,069,284	1,069,283	1
WICHE Administration	314,030	314,030	-
	<u>2,844,498,591</u>	<u>2,603,053,645</u>	<u>241,444,946</u>
<b>Human Resources</b>			
<b>Health and Human Services</b>			
Administration	3,237,406	2,372,335	865,071
Grants Management Unit	42,674,875	35,322,928	7,351,947
Problem Gambling	2,029,900	1,478,600	551,300
State and Community Collaboration	5,864,694	5,083,914	780,780
Developmental Disabilities	918,318	697,164	221,154
Community Based Services	12,432,582	10,180,558	2,252,024
Family to Family Connections	4,392,838	3,985,255	407,583
<b>Aging Services</b>			
Senior Sevices Program	8,384,102	6,272,300	2,111,802
Aging Older Americans Act	22,985,235	17,503,640	5,481,595
Senior Citizens' Property Tax Assistance	5,722,845	5,674,690	48,155



	Final Budget	Actual	Variance
EPS/Homemaker Programs	\$ 2,654,311	\$ 2,367,030	\$ 287,281
<b>Health Care Financing and Policy</b>			
Intergovernmental Transfer Program Administration	85,357,457	62,212,378	23,145,079
HIFA Holding Account	81,783,968	74,522,941	7,261,027
Increased Quality of Nursing Care	551,234	536,255	14,979
Nevada Check-Up Program	28,587,337	27,190,358	1,396,979
Nevada Medicaid, Title XIX	34,571,120	33,639,251	931,869
HIFA Medical	1,507,115,818	1,454,530,657	52,585,161
	1,529,963	1,480,864	49,099
<b>Health</b>			
Radiological Health	4,713,595	2,452,087	2,261,508
Cancer Control Registry	1,141,790	696,038	445,752
Alcoholism and Drug Rehabilitation	30,181,992	25,954,252	4,227,740
Vital Statistics	1,681,902	1,481,696	200,206
Consumer Health Protection	2,593,700	1,883,463	710,237
Office of Minority Health	230,104	180,094	50,010
Early Intervention Services	23,097,395	21,988,778	1,108,617
Immunization Program	5,486,452	4,661,250	825,202
WIC Food Supplement	57,852,967	57,108,316	744,651
Sexually Transmitted Disease Control	16,064,641	15,148,692	915,949
Health Facilities Hospital Licensing	10,812,499	8,007,670	2,804,829
Health Facilities-Admin Penalty	666,083	480,359	185,724
Public Health Preparedness Program	28,426,523	22,370,571	6,055,952
Communicable Disease Control	9,115,905	5,905,552	3,210,353
Maternal Child Health Services	7,760,937	5,179,522	2,581,415
Office of Health Administration	5,791,729	4,685,054	1,106,675
Community Health Services	4,013,061	3,411,856	601,205
Emergency Medical Services	1,126,427	1,065,907	60,520
<b>Welfare</b>			
Welfare Administration	32,323,321	27,679,832	4,643,489
Temp Assistance for Needy Families	59,153,699	56,171,051	2,982,648
Assistance to Aged and Blind	7,386,983	7,358,000	28,983
Welfare Field Services	68,796,735	66,617,011	2,179,724
Child Support Enforcement Program	18,291,384	11,676,507	6,614,877
Child Support Federal Reimbursement	37,613,933	28,625,298	8,988,635
Child Assistance and Development	58,499,719	42,977,574	15,522,145
Energy Assistance Program	30,262,259	29,196,806	1,065,453
<b>Mental Health and Developmental Services</b>			
So NV Adult Mental Health Services	93,172,053	88,997,969	4,174,084
No NV Adult Mental Health Services	33,947,076	31,683,269	2,263,807
Mental Health Information System	1,883,738	1,680,760	202,978
Family Preservation Program	2,260,842	2,260,604	238
Rural Regional Center	15,743,036	14,933,177	809,859
MHDS Administration	8,040,335	7,547,649	492,686
Desert Regional Center	80,655,450	77,340,670	3,314,780
Sierra Regional Center	34,521,456	32,050,853	2,470,603
Facility for the Mental Offender	9,588,672	9,247,624	341,048
Alcohol Tax Program	1,135,189	799,896	335,293
Rural Clinics	15,646,581	15,056,357	590,224
<b>Child and Family Services</b>			
Community Juvenile Justice Programs	3,779,105	2,784,513	994,592
Washoe County Integration	30,518,014	26,736,141	3,781,873
Clark County Integration	80,917,715	77,472,333	3,445,382
UNITY/SACWIS	5,436,678	5,251,148	185,530
Children, Youth and Family Administration	26,124,586	20,246,882	5,877,704
Youth Alternative Placement	3,702,597	3,702,597	-
Juvenile Correctional Facility	5,567,678	5,044,400	523,278

## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2010

Page 5 of 9

	Final Budget	Actual	Variance
Child Care Services	\$ 1,360,134	\$ 1,086,434	\$ 273,700
Caliente Youth Center	8,135,886	7,767,388	368,498
Victims of Domestic Violence	4,582,020	3,583,903	998,117
Childrens Trust Account	1,017,739	776,521	241,218
Rural Child Welfare	16,074,705	15,840,073	234,632
Review of Death of Children	241,625	103,227	138,398
Nevada Youth Training Center	10,282,218	9,373,082	909,136
Youth Parole Services	6,201,427	5,451,290	750,137
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	7,049,715	6,146,206	903,509
So NV Child and Adolescent Services	24,190,125	22,399,267	1,790,858
<b>Employment, Training and Rehabilitation</b>			
Blind Business Enterprise Program	5,610,171	2,189,851	3,420,320
Services to the Blind	5,632,525	4,316,736	1,315,789
Client Assistance Program	218,884	209,782	9,102
Vocational Rehabilitation	21,357,874	16,274,288	5,083,586
Rehabilitation Administration	1,407,117	1,230,381	176,736
Disability Adjudication	16,333,811	15,588,671	745,140
Equal Rights Commission	1,575,989	1,259,990	315,999
Administration	4,889,805	4,538,336	351,469
Research and Analysis	7,802,845	5,829,894	1,972,951
Information Development and Processing	9,782,376	8,001,447	1,780,929
<b>Other Human Services</b>			
Public Defender	2,957,904	2,866,281	91,623
Indian Affairs Commission	333,707	191,885	141,822
	2,983,570,791	2,755,876,129	227,694,662
<b>Commerce and Industry</b>			
<b>Economic Development and Tourism</b>			
Economic Development and Diversification	24,894	24,894	-
Commission on Economic Development	5,313,516	4,939,292	374,224
Nevada Film Office	1,056,020	759,703	296,317
Rural Community Development	6,062,512	5,249,842	812,670
Procurement Outreach Program	529,748	503,705	26,043
<b>Minerals</b>			
Minerals	3,387,726	2,154,312	1,233,414
Bond Reclamation	6,632,990	788,511	5,844,479
<b>Agriculture</b>			
Nevada Beef Council	267,480	258,475	9,005
Gas Pollution Standards	726,101	607,773	118,328
Weed Abatement and Control	186,062	35,334	150,728
Plant Industry	931,612	835,785	95,827
Grade and Certification of Ag Products	245,069	104,890	140,179
Garlic and Onion Research Promotion	113,943	12,471	101,472
Agricultural Registration/Enforcement	3,630,621	3,154,544	476,077
Livestock Inspection	1,550,747	1,017,860	532,887
Marijuana Health Registry	786,794	400,853	385,941
USDA CCC	478,958	101,101	377,857
Agriculture License Plates	25,819	13,970	11,849
Veterinary Medical Services	1,061,346	1,001,295	60,051
Weights and Measures	2,301,547	2,050,536	251,011
Noxious Weed and Insect Control	6,213,392	1,540,354	4,673,038
Agriculture Administration	1,288,305	1,202,092	86,213
Rangeland Resources Commission	257,548	198,718	58,830
Morman Cricket and Grasshoppers	1,266,159	462,341	803,818
Predatory Animal and Rodent Control	996,338	988,729	7,609
Nevada Jr Livestock Show Board	25,861	25,793	68
<b>Gaming Control</b>			
Gaming Control Board	44,322,557	41,790,428	2,532,129



	Final Budget	Actual	Variance
Gaming Control Federal Forfeiture	\$ 762,473	\$ 4,930	\$ 757,543
Gaming Control - Forfeiture Account	558,399	70,050	488,349
Gaming Control - Other State Forfeiture	655,189	85,106	570,083
Federal Forfeiture Treasury	990,416	4,350	986,066
Gaming Commission	392,547	381,750	10,797
<b>Business and Industry</b>			
Business and Industry Administration	1,169,879	1,160,290	9,589
Industrial Development Bonds	745,679	303,515	442,164
Insurance Regulation	9,541,066	7,284,812	2,256,254
Captive Insurers	2,111,002	1,674,012	436,990
Insurance Recovery	652,005	584,890	67,115
Insurance Education and Research	1,431,707	929,912	501,795
Nat. Assoc. of Insurance Commissioners	69,985	16,185	53,800
Insurance Cost Stabilization	406,840	167,907	238,933
Consumer Affairs Restitution	41,692	41,692	-
Consumer Affairs Recovery Acct	26,772	26,771	1
Consumer Affairs	264,102	264,100	2
Special Housing Assistance	23,521,147	10,728,688	12,792,459
Low Income Housing Trust Fund	27,040,854	6,411,058	20,629,796
Weatherization	21,479,598	18,851,152	2,628,446
Renewable Energy and Energy Efficiency Authority	1,440,000	180,277	1,259,723
Employee Management Relations Board	501,855	387,027	114,828
Common Interest Communities	4,619,287	2,085,387	2,533,900
Real Estate Administration	3,058,340	2,941,345	116,995
Athletic Commission	866,438	676,035	190,403
Labor Commissioner	1,429,365	1,423,624	5,741
Division of Mortgage Lending	5,492,018	3,193,111	2,298,907
Attorney for Injured Workers	3,326,779	3,221,341	105,438
Financial Institutions Investigations	539,355	40,993	498,362
Financial Institutions	6,922,215	3,843,558	3,078,657
Financial Institutions Audit	653,350	240,983	412,367
	<b>210,394,019</b>	<b>137,448,452</b>	<b>72,945,567</b>

**Public Safety**

	Final Budget	Actual	Variance
<b>Corrections</b>			
Prison Medical Care	47,591,148	47,566,019	25,129
Director's Office	19,061,068	18,536,090	524,978
Correctional Programs	7,169,460	6,572,828	596,632
So Nevada Correctional Center	364,572	295,683	68,889
Warm Springs Correctional Center	9,158,182	9,144,932	13,250
No Nevada Correctional Center	26,073,085	25,361,324	711,761
Nevada State Prison	17,474,095	17,447,792	26,303
Stewart Conservation Camp	1,812,431	1,805,520	6,911
Pioche Conservation Camp	1,539,670	1,502,521	37,149
Northern Nevada Restitution Center	1,068,834	1,064,865	3,969
Indian Springs Conservation Camp	2,300,727	2,292,721	8,006
Southern Desert Correctional Center	21,980,266	21,825,377	154,889
Wells Conservation Camp	1,247,467	1,240,294	7,173
Humboldt Conservation Camp	1,303,354	1,280,959	22,395
Ely Conservation Camp	1,329,803	1,316,245	13,558
Jean Conservation Camp	1,562,761	1,539,027	23,734
Silver Springs Conservation Camp	17,627	13,444	4,183
Ely State Prison	27,138,874	26,910,631	228,243
Carlin Conservation Camp	1,199,863	1,193,950	5,913
Topopah Conservation Camp	1,087,562	1,075,059	12,503
Lovelock Correctional Center	23,743,506	23,677,908	65,598
Southern Nevada Women's Correctional Center	11,796,866	11,688,463	108,403
High Desert State Prison	41,642,640	41,212,592	430,048
Casa Grande Transitional Housing	4,252,516	4,221,611	30,905

## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2010

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	Final Budget	Actual	Variance
<b>Public Safety</b>			
Emergency Management Division	\$ 7,401,694	\$ 4,313,574	\$ 3,088,120
Emergency Mgmt Assistance Grant	98,644,490	28,768,138	69,876,352
Parole and Probation	43,325,290	41,675,092	1,650,198
Fund for Reentry Programs	19,575	-	19,575
Division of Investigations	8,438,308	5,848,906	2,589,402
Narcotics Control	3,792,296	2,878,805	913,491
Parolee Loan Account	4,665	-	4,665
Training Division	1,414,313	1,326,609	87,704
Parole Board	2,564,196	2,510,797	53,399
Fire Marshal	3,247,625	2,908,755	338,870
Traffic Safety	13,860,193	5,545,647	8,314,546
Highway Safety Plan and Administration	4,579,521	2,441,898	2,137,623
K-9 Program	236,532	210,316	26,216
Forfeitures	1,460,478	530,506	929,972
Justice Assistance Account	6,501,252	1,641,421	4,859,831
Justice Assistance Grant	18,501,947	4,256,688	14,245,259
Criminal History Repository	24,326,437	13,816,819	10,509,618
Child Volunteer Background Checks Trust	20,381	20,380	1
Contingency Account for Haz Mat	884,555	593,829	290,726
Home Disaster Assistance	1,014,452	482,431	532,021
Cigarette Fire Safety Standard	200,000	-	200,000
Justice Grant	464,319	430,525	33,794
Dignitary Protection	1,008,717	981,588	27,129
<b>Peace Officers Standards and Training</b>			
Peace Officers Standards and Training	3,893,536	2,390,752	1,502,784
<b>Motor Vehicles</b>			
Motor Vehicle Pollution Control	10,298,669	8,233,602	2,065,067
	<u>528,019,818</u>	<u>400,592,933</u>	<u>127,426,885</u>
<b>Infrastructure</b>			
<b>Wildlife</b>			
Wildlife Administration	36,068,986	26,975,774	9,093,212
Wildlife Trout Stamp Program	5,064,549	1,554,599	3,509,950
Wildlife Boating Program	8,081,670	5,878,568	2,203,102
Wildlife Heritage	6,413,649	373,281	6,040,368
Wildlife Obligated Reserve	4,565,621	1,141,666	3,423,955
Wildlife Habitat Mitigation	625,131	-	625,131
<b>Conservation and Natural Resources</b>			
State Environmental Commission	50,595	27,060	23,535
Administration	1,015,789	985,921	29,868
Water Resources Legal Cost	1,187,392	201,767	985,625
Tahoe Regional Planning Agency	10,415,417	1,761,542	8,653,875
Division of Conservation Districts	398,729	383,806	14,923
Parks Federal Grant Programs	5,564,789	1,597,269	3,967,520
State Parks	11,939,096	10,064,603	1,874,493
Maintenance of State Parks	1,779,846	162,703	1,617,143
State Parks Facility and Grounds Maintenance	15,057,107	958	15,056,149
Coyote Springs Groundwater Basin	44,160	3,331	40,829
Flood Control Revenue Fund	252,517	-	252,517
USGS Co-Op	1,014,041	737,433	276,608
Groundwater Recharge Projects	381,204	16,586	364,618
Water Right Surveyors	59,438	4,632	54,806
Water Rights Support Fund	202,946	170,797	32,149
Well Driller's Licenses	67,564	13,124	54,440
Water Resources	6,768,338	5,983,569	784,769
Water Resources Cooperative Project	755,000	140,303	614,697
State Engineer Revenue	379,668	103,391	276,277
Little Humboldt River	193,208	22,474	170,734
Quinn River Distribution	44,012	9,354	34,658
Adjudication Emergency	16,000	1,864	14,136



	Final Budget	Actual	Variance
Step toe Valley Water Basin	\$ 9,978	\$ 1,451	\$ 8,527
Diamond Valley Ground Water	24,046	1,585	22,461
Lake Valley Ground Water Basin	10,000	-	10,000
Middle Reese River Ground Water Basin	29,300	465	28,835
Dixie Creek/10 Mi Ground Water	17,649	623	17,026
Churchill Valley Ground Water	9,954	6,309	3,645
Colorado River Valley	18,763	528	18,235
Washoe Valley Ground Water	5,892	464	5,428
Amargosa Valley Ground Water	5,269	4,766	503
Las Vegas Basin Water District	4,079,493	932,775	3,146,718
Muddy River Surface Water	30,687	7,184	23,503
Flood Repairs and Disaster Relief	50,000	50,000	-
Channel Clearance	21,184	21,184	-
Pahrnanagat Lake	51,418	37,031	14,387
Pahrump Artesian Basin	125,306	28,436	96,870
Boulder Flat Ground Water	98,535	6,818	91,717
Dayton Valley Ground Water	11,632	4,162	7,470
Mason Valley Ground Water	95,230	18,673	76,557
Humboldt Water District	383,070	169,238	213,832
Water District Revenue Fund	30,000	-	30,000
Smith Valley Artesian Basin	39,334	15,819	23,515
Currant Creek	5,251	-	5,251
Duckwater Creek	25,990	9,540	16,450
Paradise Valley Ground Water	39,435	10,267	29,168
Upper White River	14,983	-	14,983
Muddy River Springs	20,374	799	19,575
Kingston Creek	7,256	2,099	5,157
Warm Springs/Winnemucca Creek	15,573	3,895	11,678
Eagle Valley	47,188	11,003	36,185
Carson Valley Ground Water	46,004	19,341	26,663
Fish Lake Valley Artesian	17,935	3,592	14,343
Carico Creek	443	-	443
Lemmon Valley	69,357	23,733	45,624
Truckee Meadows/Sun Valley	80,308	36,755	43,553
Antelope Middle Reese River	45,099	29,528	15,571
Warm Springs Ground Water	34,054	3,980	30,074
Lower Moapa Valley Groundwater	5,742	-	5,742
Honey Lake Valley	13,795	440	13,355
Whirlwind Valley	14,374	871	13,503
Crescent Water Groundwater	28,560	3,672	24,888
Pumpnickel Valley	34	-	34
Clovers Area Groundwater	48,035	4,969	43,066
Cold Springs Valley	22,734	3,828	18,906
Imlay Ground Water	25,838	3,125	22,713
Kelly Creek Ground Water	36,189	3,366	32,823
Lower Reese River Valley	48,538	3,460	45,078
Maggie Creek	54,752	6,725	48,027
North Fork Ground Water	22,265	1,718	20,547
Pleasant Valley	7,139	1,470	5,669
Forestry	20,932,943	9,293,755	11,639,188
Forest Fire Suppression/Emergency Response	5,185,674	1,689,440	3,496,234
Forestry Honor Camps	8,895,001	8,532,649	362,352
Forestry Inter-Gov Agreements	3,884,648	3,465,412	419,236
Tahoe License Plates	1,948,175	311,201	1,636,974
Mt. Charleston License Plates	422,285	23,360	398,925
Nevada Tahoe Regional Planning Agency	1,490	370	1,120
State Lands	1,972,075	1,707,649	264,426
State Lands Revolving Account	88,472	5,263	83,209
Tahoe Bond Sale	1,052,865	195,881	856,984
Tahoe Mitigation	3,590,345	47,649	3,542,696
Nevada Natural Heritage	1,296,629	797,931	498,698



# Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

## All General Fund Budgets



NEVADA

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For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance
AB9/Q1 Bonds	\$ 45,075,990	\$ 13,347,347	\$ 31,728,643
Storage Tank Management	317,120	35,142	281,978
Environmental Protection Administration	4,628,823	3,690,753	938,070
Chemical Hazard Prevention	1,268,507	394,076	874,431
Reclamation Surety Account	2,568,876	-	2,568,876
Air Quality Management Account	10,206,881	3,261,846	6,945,035
Air Quality	10,528,282	7,919,269	2,609,013
Water Pollution Control	5,508,833	3,603,978	1,904,855
Water Quality Planning	7,582,434	4,202,235	3,380,199
Safe Drinking Water Regulatory Program	3,350,391	2,146,582	1,203,809
Waste Management and Federal Facilities	19,157,939	11,605,586	7,552,353
Mining Regulation/Reclamation	5,135,618	2,340,014	2,795,604
Interim Fluid Management Trust	1,329,898	-	1,329,898
Hazardous Waste Management	21,880,848	6,225,645	15,655,203
Hazardous Waste - Beatty Site	12,013,308	-	12,013,308
Water Planning - Capital Improvement	318,341	187,092	131,249
<b>Infrastructure</b>			
AB544 Highway Projects	350,921	350,921	-
	<u>324,844,059</u>	<u>145,193,108</u>	<u>179,650,951</u>
<b>Special Purpose Agencies</b>			
<b>Veterans' Affairs</b>			
Commissioner for Veterans' Affairs	2,641,146	2,489,053	152,093
Veterans' Home Account	16,077,717	15,221,856	855,861
Veterans' Gifts and Donations	169,734	41,625	128,109
Veterans' Home Donation	35,796	21,108	14,688
Gift Account for Veterans	757,831	252,077	505,754
<b>Office of Military</b>			
Military	16,306,046	11,879,149	4,426,897
Military Emergency Operations Center	345,974	314,552	31,422
Adjutant General Construction	7,955,408	4,091,204	3,864,204
National Guard Benefits	62,594	61,139	1,455
Patriot Relief Account	753,247	150,093	603,154
<b>Civil Air Patrol</b>	75,102	41,337	33,765
	<u>45,180,595</u>	<u>34,563,193</u>	<u>10,617,402</u>
<b>Appropriated Transfers to Other Funds</b>			
Legislative Fund	29,441,231	29,441,231	-
Contingency Fund	28,562,971	28,562,971	-
Attorney General Fund - Consumer Advocate	1,232,163	1,232,163	-
Stabilize the Operations of State Government	126,503	126,503	-
Highway Fund	35,923	35,923	-
Healthy Nevada Fund	103,137	103,137	-
	<u>59,501,928</u>	<u>59,501,928</u>	<u>-</u>
<b>Reversions to Other Funds</b>			
Reversion to Highway Fund	-	234,011	(234,011)
Reversion to Workers' Comp and Safety Fund	-	499,189	(499,189)
Reversion to Consolidated Bond Interest and Redemption Fund	-	10,000	(10,000)
Reversion to Contingency Fund	-	431,948	(431,948)
	-	<u>1,175,148</u>	<u>(1,175,148)</u>
<b>Projected Reversions</b>	<u>(53,500,000)</u>	-	<u>(53,500,000)</u>
Total General Fund	<u>\$ 7,497,728,926</u>	<u>\$ 6,601,099,401</u>	<u>\$ 896,629,525</u>

# Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

## All Special Revenue Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2010

Page 1 of 3

	Final Budget	Actual	Variance
<b>State Highway</b>			
<b>Finance and Administration</b>			
Unbudgeted Activity	\$ -	\$ 209,175	\$ (209,175)
Appropriations to Other Funds	4,756,049	4,756,047	2
<b>Infrastructure</b>			
Transportation Administration	820,456,560	683,679,021	136,777,539
Bond Construction	20,625,730	20,625,730	-
Aviation Trust Fund	90,313	-	90,313
AB 595 Revenue Rental Car Tax	11,714,912	730,599	10,984,313
AB 595 Revenue Clark Co.	76,727,384	36,997,213	39,730,171
AB 595 Revenue Washoe Co.	1,851,406	1,723,723	127,683
NDOT - SB 5 RTC Public Road Project	4,040,000	-	4,040,000
System of Providing Information to the Traveling Public	295,559	235,354	60,205
<b>Public Safety</b>			
Bicycle Safety Program	366,225	216,630	149,595
Motorcycle Safety Program	1,036,763	647,247	389,516
Director's Office - Public Safety	1,253,836	1,192,255	61,581
Internal Affairs	585,863	539,443	46,420
Records Search	9,180,057	9,097,762	82,295
Highway Patrol	67,691,679	65,077,162	2,614,517
Administrative Services	2,052,264	1,848,384	203,880
DMV Motor Vehicle Information Technology	9,222,904	8,444,965	777,939
Motor Carrier	4,448,531	3,805,989	642,542
PS Highway Safety Grants Account	3,048,247	2,155,088	893,159
Emergency Response Commission	2,585,740	1,503,341	1,082,399
Verification of Insurance	16,420,156	13,582,327	2,837,829
Hearings - DMV and PS	1,203,236	1,141,893	61,343
Special Plates Trust Account	1,148,983	398,705	750,278
Salvage Titles Trust Account	302,411	234,307	68,104
Public Safety Technology Division	6,199,454	5,539,085	660,369
DMV Field Services	44,743,937	39,421,838	5,322,099
Compliance Enforcement	4,689,433	4,519,965	169,468
Central Services	12,752,076	11,647,898	1,104,178
Management Services	1,415,306	1,286,245	129,061
Director's Office - DMV	5,308,590	5,241,384	67,206
DMV Real ID	3,146,197	1,373,091	1,773,106
Administrative Services	12,490,037	11,437,762	1,052,275
<b>Debt Service Transfers</b>			
Debt Service	89,297,677	89,297,677	-
<b>Total</b>	<b>1,241,147,515</b>	<b>1,028,607,305</b>	<b>212,540,210</b>
<b>Municipal Bond Bank</b>			
<b>Constitutional Agencies</b>			
Municipal Bond Bank Revenue	30,618,109	30,146,884	471,225
<b>Total</b>	<b>30,618,109</b>	<b>30,146,884</b>	<b>471,225</b>
<b>Employment Security</b>			
<b>Human Services</b>			
Claimant Employment Program	22,965,038	14,218,641	8,746,397
Employment Security	112,120,971	92,989,570	19,131,401
Employment Security Special Fund	35,581,306	10,413,645	25,167,661
<b>Total</b>	<b>170,667,315</b>	<b>117,621,856</b>	<b>53,045,459</b>
<b>Regulatory</b>			
<b>Commerce and Industry</b>			
Manufactured Housing	2,380,782	1,263,875	1,116,907
Real Estate Education and Research	1,917,085	756,699	1,160,386
Real Estate Recovery	942,480	531,300	411,180
Mobile Home Parks	345,356	169,037	176,319
Mfg Housing-Education/Recovery	202,857	67,827	135,030
Regulatory Fund	15,036,625	11,510,641	3,525,984
Administrative Fines	100,000	27,250	72,750
Transportation Services Authority	2,891,184	2,858,340	32,844
TSA Administrative Fines	380,383	134,822	245,561

**Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis  
All Special Revenue Fund Budgets**

For the Fiscal Year Ended June 30, 2010

Page 2 of 3

	Final Budget	Actual	Variance
Taxicab Authority	\$ 8,541,294	\$ 5,938,151	\$ 2,603,143
Dairy Commission	2,021,119	1,568,489	452,630
<b>Total</b>	<b>34,759,165</b>	<b>24,826,431</b>	<b>9,932,734</b>
<b>Legislative</b>			
<b>Constitutional Agencies</b>			
Nevada Legislative Interim	604,873	565,681	39,192
Legislative Counsel Bureau	36,308,369	27,314,896	8,993,473
Audit Contingency Account	323,700	323,700	-
<b>Total</b>	<b>37,236,942</b>	<b>28,204,277</b>	<b>9,032,665</b>
<b>Higher Education Capital Construction</b>			
<b>Finance and Administration</b>			
Higher Education Capital Construction	-	5,000,000	(5,000,000)
Higher Education Special Construction	35,000,000	7,905,088	27,094,912
<b>Total</b>	<b>35,000,000</b>	<b>12,905,088</b>	<b>22,094,912</b>
<b>Cleaning Up Petroleum Discharges</b>			
<b>Infrastructure</b>			
Petroleum Clean-Up Trust Fund	21,527,702	11,123,898	10,403,804
<b>Total</b>	<b>21,527,702</b>	<b>11,123,898</b>	<b>10,403,804</b>
<b>Hospital Care to Indigent Persons</b>			
<b>Finance and Administration</b>			
Supplemental Fund - Indigents	28,222,521	26,954,923	1,267,598
<b>Total</b>	<b>28,222,521</b>	<b>26,954,923</b>	<b>1,267,598</b>
<b>Tourism Promotion</b>			
<b>Commerce and Industry</b>			
Tourism Development	68,456	-	68,456
Commission on Tourism	17,351,069	13,653,213	3,697,856
<b>Total</b>	<b>17,419,525</b>	<b>13,653,213</b>	<b>3,766,312</b>
<b>Offenders' Store</b>			
<b>Public Safety</b>			
Offenders' Store Fund	18,656,380	14,721,794	3,934,586
Inmate Welfare Account	5,460,537	5,284,304	176,233
<b>Total</b>	<b>24,116,917</b>	<b>20,006,098</b>	<b>4,110,819</b>
<b>Tobacco Settlement</b>			
<b>Constitutional Agencies</b>			
Millennium Scholarship Fund	45,059,644	25,517,510	19,542,134
Millennium Scholarship Administration	407,682	354,442	53,240
Trust Fund for Healthy Nevada	54,349,869	38,189,418	16,160,451
Trust Fund for Public Health	6,025,111	5,443,144	581,967
<b>Human Services</b>			
Healthy Nevada Fund	9,514,947	5,579,589	3,935,358
Senior RX and Disability RX	6,013,913	4,688,903	1,325,010
Healthy Nevada Fund Administration	7,060,873	6,678,306	382,567
<b>Total</b>	<b>128,432,039</b>	<b>86,451,312</b>	<b>41,980,727</b>
<b>Contingency</b>			
<b>Constitutional Agencies</b>			
Interim Finance Committee	49,258,336	33,939,709	15,318,627
<b>Total</b>	<b>49,258,336</b>	<b>33,939,709</b>	<b>15,318,627</b>
<b>Care of Sites for Radioactive Waste Disposal</b>			
<b>Human Services</b>			
Radioactive Material Disposal	9,699,780	9,085,244	614,536
<b>Total</b>	<b>9,699,780</b>	<b>9,085,244</b>	<b>614,536</b>
<b>Gift</b>			
<b>Education</b>			
Education Gift Fund	20,987	-	20,987
Library and Archives Gift Fund	196,781	12,068	184,713
<b>Human Services</b>			
RRC Gift Fund	14,225	-	14,225



	Final Budget	Actual	Variance
SNAMHS Gift Fund	\$ 18,998	\$ 600	\$ 18,398
Settlement Funds	80,957	77,674	3,283
Health Division Gifts	21,003	1,070	19,933
Transition from Foster Care	2,230,237	1,088,828	1,141,409
Aging Services Gift	309,759	264,420	45,339
Summit View Commissary	22,128	6,307	15,821
Disability Services Gift	1,213	-	1,213
CBS Washoe Gift Fund	14,455	-	14,455
Indian Commission Gift Acct	32,115	6,237	25,878
Hospital Gift Fund	298,598	6,233	292,365
NNMRS Gift Fund	9,650	-	9,650
Blind Gift Fund	163,307	16,531	146,776
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	38,744	9,319	29,425
Henry Woods Christmas Fund	3,683	1,175	2,508
Nevada Children's Gift Account	600,777	5,699	595,078
CYC Gift Fund	6,420	1,113	5,307
Youth Training Center Gift Fund	35,445	-	35,445
DRC Gift Fund	12,134	-	12,134
<b>Infrastructure</b>			
Heil Wild Horse Bequest	137,137	131,703	5,434
Park Gift and Grants	174,818	42,597	132,221
<b>Total</b>	<b>4,453,458</b>	<b>1,671,574</b>	<b>2,781,884</b>
<b>Natural Resources</b>			
<b>Infrastructure</b>			
Grants To Water Purveyors	15,052,273	8,693,998	6,358,275
Erosion Control Bond Q12	898,550	492,682	405,868
Protect Lake Tahoe	34,314,616	4,130,183	30,184,433
<b>Total</b>	<b>50,265,439</b>	<b>13,316,863</b>	<b>36,948,576</b>
<b>Stabilize the Operations of State Government</b>			
<b>Public Safety</b>			
Emergency Assistance	717,884	522,399	195,485
<b>Constitutional Agencies</b>			
Disaster Relief	6,793,994	4,143,985	2,650,009
Stabilization of State Government	632,516	632,516	-
<b>Total</b>	<b>8,144,394</b>	<b>5,298,900</b>	<b>2,845,494</b>
<b>Miscellaneous</b>			
<b>Constitutional Agencies</b>			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	5,543,913	4,200,772	1,343,141
Unfair Trade Practices	781,705	241,794	539,911
<b>Commerce and Industry</b>			
Lot Rent Trust Subsidy	463,739	367,525	96,214
Rural Rehabilitation Trust	243,037	-	243,037
<b>Education</b>			
Museums and History Board Trust	15,544	15,535	9
Museums Administrator Trust	30,113	27,920	2,193
Nevada Historical Society Trust	186,479	102,716	83,763
Nevada State Museum Trust	743,343	337,575	405,768
Nevada Railroad Museum Trust	323,774	209,558	114,216
Lost City Museum Trust	169,643	89,512	80,131
Las Vegas Museum and Trust	64,061	43,048	21,013
<b>Finance and Administration</b>			
Public Works Inspection	7,828,624	6,357,824	1,470,800
Public Works Retention Payment	474,417	58,038	416,379
Victims of Crime	11,637,247	9,645,852	1,991,395
<b>Special Projects</b>			
School Improvement	100	-	100
<b>Total</b>	<b>28,505,864</b>	<b>21,697,669</b>	<b>6,808,195</b>
<b>Total Special Revenue Funds</b>	<b>\$ 1,919,475,021</b>	<b>\$ 1,485,511,244</b>	<b>\$ 433,963,777</b>

**Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis  
All Nonmajor Special Revenue Fund Budgets**

For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	<b>Employment Security</b>			<b>Regulatory</b>		
Fund balances, July 1	\$ 17,097,156	\$ 17,097,156	\$ -	\$ 9,581,190	\$ 9,581,190	\$ -
<b>Revenues:</b>						
Federal	135,042,088	95,441,188	(39,600,900)	1,257,408	571,611	(685,797)
Other taxes	-	-	-	11,202,742	10,833,695	(369,047)
Sales and charges for services	746,615	1,093,538	346,923	5,216,697	4,899,075	(317,622)
Licenses, fees and permits	320,641	325,868	5,227	3,413,413	2,796,312	(617,101)
Interest	246,898	115,498	(131,400)	102,413	34,901	(67,512)
Other	14,100,000	11,315,722	(2,784,278)	716,208	577,995	(138,213)
<b>Other financing sources:</b>						
Transfer from other funds	3,113,917	2,595,425	(518,492)	3,269,094	3,163,420	(105,674)
<b>Total sources</b>	<u>\$170,667,315</u>	<u>\$127,984,395</u>	<u>\$(42,682,920)</u>	<u>\$ 34,759,165</u>	<u>\$ 32,458,199</u>	<u>\$ (2,300,966)</u>
	<b>Legislative</b>			<b>Higher Education Capital Construction</b>		
Fund balances, July 1	\$ 5,812,173	\$ 5,812,173	\$ -	\$ -	\$ -	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-	-	-	14,678,019	14,678,019	-
Sales, charges for services	987,550	827,430	(160,120)	-	-	-
Licenses, fees and permits	5,000	5,800	800	-	-	-
Other	231,335	286,248	54,913	-	-	-
<b>Other financing sources:</b>						
Transfer from other funds	30,200,884	30,226,390	25,506	-	-	-
<b>Total sources</b>	<u>\$ 37,236,942</u>	<u>\$ 37,158,041</u>	<u>\$ (78,901)</u>	<u>\$ 14,678,019</u>	<u>\$ 14,678,019</u>	<u>\$ -</u>
	<b>Cleaning Up Petroleum Discharges</b>			<b>Hospital Care to Indigent Persons</b>		
Fund balances, July 1	\$ 6,877,602	\$ 6,877,602	\$ -	\$ 152,317	\$ 152,317	\$ -
<b>Revenues:</b>						
Federal	100	-	(100)	-	-	-
Other taxes	13,500,000	12,232,085	(1,267,915)	27,911,956	26,848,669	(1,063,287)
Licenses, fees and permits	550,000	415,500	(134,500)	-	-	-
Interest	500,000	67,748	(432,252)	158,248	53,938	(104,310)
Other	100,000	7,349	(92,651)	-	-	-
<b>Other financing sources:</b>						
Transfer from other funds	-	-	-	-	52,317	52,317
<b>Total sources</b>	<u>\$ 21,527,702</u>	<u>\$ 19,600,284</u>	<u>\$ (1,927,418)</u>	<u>\$ 28,222,521</u>	<u>\$ 27,107,241</u>	<u>\$ (1,115,280)</u>
	<b>Tourism Promotion</b>			<b>Offenders' Store</b>		
Fund balances, July 1	\$ 2,737,281	\$ 2,737,281	\$ -	\$ 5,271,345	\$ 5,271,345	\$ -
<b>Revenues:</b>						
Other taxes	14,650,329	13,842,014	(808,315)	-	-	-
Sales, charges for services	-	-	-	14,347,419	14,264,871	(82,548)
Licenses, fees and permits	9,700	8,205	(1,495)	-	-	-
Interest	1,573	316	(1,257)	375,160	87,096	(288,064)
Other	20,642	66,044	45,402	391,035	425,488	34,453
<b>Other financing sources:</b>						
Transfer from other funds	-	73,127	73,127	3,731,958	3,678,080	(53,878)
<b>Total sources</b>	<u>\$ 17,419,525</u>	<u>\$ 16,726,987</u>	<u>\$ (692,538)</u>	<u>\$ 24,116,917</u>	<u>\$ 23,726,880</u>	<u>\$ (390,037)</u>



	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	<b>Tobacco Settlement</b>			<b>Contingency</b>		
Fund balances, July 1	\$ 50,411,346	\$ 50,411,346	\$ -	\$ 20,506,349	\$ 20,506,349	\$ -
<b>Revenues:</b>						
Interest	400,529	270,242	(130,287)	-	-	-
Other	46,616,566	41,978,197	(4,638,369)	-	-	-
<b>Other financing sources:</b>						
Transfer from other funds	31,003,598	19,601,240	(11,402,358)	28,751,987	28,811,008	59,021
<b>Total sources</b>	<u>\$128,432,039</u>	<u>\$112,261,025</u>	<u>\$(16,171,014)</u>	<u>\$ 49,258,336</u>	<u>\$ 49,317,357</u>	<u>\$ 59,021</u>
	<b>Care of Sites for Radioactive Waste Disposal</b>			<b>Gift</b>		
Fund balances, July 1	\$ 9,416,263	\$ 9,416,263	\$ -	\$ 2,918,738	\$ 2,918,738	\$ -
<b>Revenues:</b>						
Sales, charges for services	-	-	-	12,480	1,698	(10,782)
Licenses, fees and permits	166,513	128,556	(37,957)	1,103,707	1,066,399	(37,308)
Interest	117,004	79,641	(37,363)	79,207	27,326	(51,881)
Other	-	-	-	336,826	220,649	(116,177)
<b>Other financing sources:</b>						
Transfer from other funds	-	-	-	2,500	483	(2,017)
<b>Total sources</b>	<u>\$ 9,699,780</u>	<u>\$ 9,624,460</u>	<u>\$ (75,320)</u>	<u>\$ 4,453,458</u>	<u>\$ 4,235,293</u>	<u>\$ (218,165)</u>
	<b>Natural Resources</b>			<b>Stabilization</b>		
Fund balances, July 1	\$ 30,315,090	\$ 30,315,090	\$ -	\$ 7,391,878	\$ 7,391,878	\$ -
<b>Revenues:</b>						
Federal	665,137	414,710	(250,427)	-	-	-
Interest	1,055,789	284,971	(770,818)	120,000	60,478	(59,522)
Other	-	-	-	-	660	660
<b>Other financing sources:</b>						
Proceeds from sale of bonds	18,229,423	18,229,423	-	-	-	-
Transfers from other funds	-	-	-	270,488	270,488	-
<b>Total sources</b>	<u>\$ 50,265,439</u>	<u>\$ 49,244,194</u>	<u>\$ (1,021,245)</u>	<u>\$ 7,782,366</u>	<u>\$ 7,723,504</u>	<u>\$ (58,862)</u>
	<b>Miscellaneous</b>			<b>Total Nonmajor Special Revenue Funds</b>		
Fund balances, July 1	\$ 4,233,038	\$ 4,233,038	\$ -	\$ 172,721,766	\$ 172,721,766	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-	-	-	14,678,019	14,678,019	-
Federal	2,695,273	2,629,273	(66,000)	139,660,006	99,056,782	(40,603,224)
Other taxes	2,928,435	2,928,334	(101)	70,193,462	66,684,797	(3,508,665)
Sales, charges for services	883,696	557,738	(325,958)	22,194,457	21,644,350	(550,107)
Licenses, fees and permits	12,481,138	11,868,466	(612,672)	18,050,112	16,615,106	(1,435,006)
Interest	580,703	71,056	(509,647)	3,737,524	1,153,211	(2,584,313)
Other	3,420,770	2,131,880	(1,288,890)	65,933,382	57,010,232	(8,923,150)
<b>Other financing sources:</b>						
Proceeds from sale of bonds	-	-	-	18,229,423	18,229,423	-
Transfer from other funds	1,282,669	1,242,919	(39,750)	101,627,095	89,714,897	(11,912,198)
<b>Total sources</b>	<u>\$ 28,505,722</u>	<u>\$ 25,662,704</u>	<u>\$ (2,843,018)</u>	<u>\$ 627,025,246</u>	<u>\$ 557,508,583</u>	<u>\$(69,516,663)</u>



**Mountain Biking in the Ruby Mountains, NV**

Photo Courtesy of Nevada Commission on Tourism

# NONMAJOR ENTERPRISE FUNDS

**Workers' Compensation and Safety** Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

**Insurance Examination** Accounts for activities related to examinations of financial records and assets of authorized insurers (NRS 679B.300).

**Gaming Investigative** Accounts for activities related to investigations of gaming license applicants (NRS 463.331) and cash transactions of gaming licensees (NRS 463.332).

**Forestry Nurseries** Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

**Prison Industry** Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

**Nevada Magazine** Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

**Higher Education Tuition Trust** Accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be paid in advance of enrollment at an institution of higher education (NRS 353B.140).

**Marlette Lake Water System** Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).



# Combining Statement of Net Assets Nonmajor Enterprise Funds

June 30, 2010

<b>Assets</b>	<b>Workers' Compensation and Safety</b>	<b>Insurance Examination</b>	<b>Gaming Investigative</b>	<b>Forestry Nurseries</b>
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 29,233,616	\$ 820,080	\$ 10,950,388	\$ 73,776
Cash in custody of other officials	523	-	197,709	100
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	4,921,288	463,086	111,219	3,846
Intergovernmental receivables	106,103	-	-	-
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Trades pending settlement	-	-	-	-
Due from other funds	619,077	-	699	63,976
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	255,872
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>34,880,607</b>	<b>1,283,166</b>	<b>11,260,015</b>	<b>397,570</b>
<b>Noncurrent assets:</b>				
<i>Receivables:</i>				
Contracts receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,315,609	7,040	163,726	78,561
Construction in progress	-	-	-	-
Less accumulated depreciation	(1,705,326)	(43)	(112,348)	(78,561)
<b>Total noncurrent assets</b>	<b>610,283</b>	<b>6,997</b>	<b>51,378</b>	<b>-</b>
<b>Total assets</b>	<b>35,490,890</b>	<b>1,290,163</b>	<b>11,311,393</b>	<b>397,570</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	638,014	381,716	425,242	1,813
Accrued payroll and related liabilities	654,451	-	-	7,082
Interest payable	-	-	-	-
Intergovernmental payables	13,250	-	457	-
Trades pending settlement	-	-	-	-
Due to other funds	43,394	3,082	1,220,556	42,074
Due to fiduciary funds	16	-	-	582
Due to component units	-	-	-	25
Deferred revenues	-	-	9,361,759	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	818,386	-	-	4,208
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total current liabilities</b>	<b>2,167,511</b>	<b>384,798</b>	<b>11,008,014</b>	<b>55,784</b>
<b>Noncurrent liabilities:</b>				
Advances from general fund	-	-	-	330,720
Compensated absences	400,438	-	-	668
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>400,438</b>	<b>-</b>	<b>-</b>	<b>331,388</b>
<b>Total liabilities</b>	<b>2,567,949</b>	<b>384,798</b>	<b>11,008,014</b>	<b>387,172</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	610,283	6,997	51,378	-
Restricted for workers' compensation	32,312,658	-	-	-
Restricted for regulation of business	-	898,368	2,000	-
Unrestricted (deficit)	-	-	250,001	10,398
<b>Total net assets</b>	<b>\$ 32,922,941</b>	<b>\$ 905,365</b>	<b>\$ 303,379</b>	<b>\$ 10,398</b>



NEVADA

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Higher Education Tuition Trust</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 1,480,625	\$ 107,652	\$ 1,003,848	\$ 1,097,371	\$ 44,767,356
100	-	818,698	-	1,017,130
-	-	106,364,432	-	106,364,432
419,819	106,269	-	-	6,025,527
76,383	-	-	202,068	384,554
-	-	4,400,000	-	4,400,000
-	-	515,805	-	515,805
-	-	5,609	-	5,609
166,726	8	7,448	60	857,994
7,177	-	-	-	7,177
533	-	-	-	533
1,182,691	13,170	-	-	1,451,733
408	6,108	-	-	6,516
<u>3,334,462</u>	<u>233,207</u>	<u>113,115,840</u>	<u>1,299,499</u>	<u>165,804,366</u>
-	-	14,035,024	-	14,035,024
-	-	-	94,475	94,475
15,000	-	-	-	15,000
153,140	-	-	414,672	567,812
2,890,227	-	-	498,613	3,388,840
-	-	-	630,647	630,647
1,030,863	-	15,295	1,583,569	5,194,663
-	-	-	8,476,095	8,476,095
(2,925,735)	-	(13,606)	(2,453,312)	(7,288,931)
<u>1,163,495</u>	<u>-</u>	<u>14,036,713</u>	<u>9,244,759</u>	<u>25,113,625</u>
<u>4,497,957</u>	<u>233,207</u>	<u>127,152,553</u>	<u>10,544,258</u>	<u>190,917,991</u>
80,963	49,147	221,989	32,284	1,831,168
70,449	22,291	7,101	14,379	775,753
-	-	-	29,038	29,038
119	-	-	153	13,979
-	-	53,393	-	53,393
16,904	401	29,300	57,549	1,413,260
89,109	-	-	-	89,707
-	-	29,867	12	29,904
165,586	196,150	-	-	9,723,495
9,459	-	-	2,050	11,509
129,794	23,339	12,061	18,000	1,005,788
-	-	10,000,000	-	10,000,000
-	-	-	141,710	141,710
<u>562,383</u>	<u>291,328</u>	<u>10,353,711</u>	<u>295,175</u>	<u>25,118,704</u>
-	-	5,000,000	20,536	5,351,256
109,620	14,963	2,003	17,197	544,889
-	-	121,505,000	-	121,505,000
-	-	-	7,229,236	7,229,236
<u>109,620</u>	<u>14,963</u>	<u>126,507,003</u>	<u>7,266,969</u>	<u>134,630,381</u>
<u>672,003</u>	<u>306,291</u>	<u>136,860,714</u>	<u>7,562,144</u>	<u>159,749,085</u>
1,148,495	-	1,689	1,779,338	3,598,180
-	-	-	-	32,312,658
-	-	-	-	900,368
2,677,459	(73,084)	(9,709,850)	1,202,776	(5,642,300)
<u>\$ 3,825,954</u>	<u>\$ (73,084)</u>	<u>\$ (9,708,161)</u>	<u>\$ 2,982,114</u>	<u>\$ 31,168,906</u>

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2010

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
<b>Operating Revenues</b>				
Sales	\$ -	\$ -	\$ -	\$ 428,291
Assessments	23,906,566	-	-	-
Charges for services	180	-	13,355,311	-
Rental income	-	-	-	-
Licenses, fees and permits	370,765	2,887,613	-	-
Fines	2,859,844	-	-	-
Other	3,004,620	-	-	2,250
<b>Total operating revenues</b>	<b>30,141,975</b>	<b>2,887,613</b>	<b>13,355,311</b>	<b>430,541</b>
<b>Operating Expenses</b>				
Salaries and benefits	15,153,180	-	10,510,442	84,061
Operating	3,707,714	3,290,588	1,758,381	485,946
Claims and benefits expense	7,165,077	-	-	-
Materials or supplies used	-	-	-	253,184
Depreciation	220,243	43	37,101	-
<b>Total operating expenses</b>	<b>26,246,214</b>	<b>3,290,631</b>	<b>12,305,924</b>	<b>823,191</b>
Operating income (loss)	3,895,761	(403,018)	1,049,387	(392,650)
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	171,336	-	-	-
Interest expense	(26)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,359,495	-	-	-
Gain (loss) on disposal/sale of assets	1,980	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,532,785</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income (loss) before transfers	6,428,546	(403,018)	1,049,387	(392,650)
<b>Transfers</b>				
Transfers in	-	-	1,378	-
Transfers out	(10,713,977)	(600,000)	(1,215,369)	-
Change in net assets	(4,285,431)	(1,003,018)	(164,604)	(392,650)
Net assets, July 1	37,208,372	1,908,383	467,983	403,048
<b>Net assets, June 30</b>	<b>\$ 32,922,941</b>	<b>\$ 905,365</b>	<b>\$ 303,379</b>	<b>\$ 10,398</b>



<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Higher Education Tuition Trust</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 2,933,108	\$ 1,183,086	\$ 8,133,295	\$ 983,561	\$ 13,661,341
-	-	-	-	23,906,566
450,120	-	88,763	-	13,894,374
154,436	-	-	11,500	165,936
-	-	-	-	3,258,378
-	-	-	-	2,859,844
842,838	3,653	-	114,109	3,967,470
<u>4,380,502</u>	<u>1,186,739</u>	<u>8,222,058</u>	<u>1,109,170</u>	<u>61,713,909</u>
1,701,356	514,869	149,572	165,423	28,278,903
1,870,730	219,489	703,344	161,921	12,198,113
-	-	13,195,664	-	20,360,741
1,451,408	389,820	-	-	2,094,412
130,993	-	2,000	51,306	441,686
<u>5,154,487</u>	<u>1,124,178</u>	<u>14,050,580</u>	<u>378,650</u>	<u>63,373,855</u>
<u>(773,985)</u>	<u>62,561</u>	<u>(5,828,522)</u>	<u>730,520</u>	<u>(1,659,946)</u>
14,706	-	12,156,290	-	12,342,332
-	-	-	(165,974)	(166,000)
-	-	-	(3,446)	(3,446)
-	-	-	-	2,359,495
-	-	-	1,530	3,510
<u>14,706</u>	<u>-</u>	<u>12,156,290</u>	<u>(167,890)</u>	<u>14,535,891</u>
<u>(759,279)</u>	<u>62,561</u>	<u>6,327,768</u>	<u>562,630</u>	<u>12,875,945</u>
-	-	427,915	-	429,293
<u>(980,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,509,513)</u>
<u>(1,739,446)</u>	<u>62,561</u>	<u>6,755,683</u>	<u>562,630</u>	<u>(204,275)</u>
<u>5,565,400</u>	<u>(135,645)</u>	<u>(16,463,844)</u>	<u>2,419,484</u>	<u>31,373,181</u>
<u>\$ 3,825,954</u>	<u>\$ (73,084)</u>	<u>\$ (9,708,161)</u>	<u>\$ 2,982,114</u>	<u>\$ 31,168,906</u>

# Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2010

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 27,195,175	\$ 3,293,512	\$ 13,999,404	\$ 131,109
Receipts for interfund services provided	34,376	18,055	-	336,957
Payments to suppliers, other governments and beneficiaries	(8,749,064)	(2,012,258)	(1,755,417)	(376,849)
Payments to employees	(15,078,666)	-	(10,510,442)	(83,436)
Payments for interfund services used	(1,864,318)	(1,183,488)	(64,119)	(24,236)
Payments to component units	(760)	-	-	-
Net cash provided by (used for) operating activities	<u>1,536,743</u>	<u>115,821</u>	<u>1,669,426</u>	<u>(16,455)</u>
<b>Cash flows from noncapital financing activities</b>				
Grant receipts	2,542,286	-	-	-
Transfers and advances from other funds	-	-	1,435	-
Transfers and advances to other funds	(9,921,918)	(600,000)	(2,403,416)	-
Net cash provided by (used for) noncapital financing activities	<u>(7,379,632)</u>	<u>(600,000)</u>	<u>(2,401,981)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	1,980	-	-	-
Purchase of capital assets	(182,449)	(7,040)	(47,302)	-
Principal paid on capital debt	-	-	-	(15,090)
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(180,469)</u>	<u>(7,040)</u>	<u>(47,302)</u>	<u>(15,090)</u>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends received	410,408	-	-	-
Net cash provided by (used for) investing activities	<u>410,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(5,612,950)	(491,219)	(779,857)	(31,545)
Cash and cash equivalents, July 1	34,847,089	1,311,299	11,927,954	105,421
<b>Cash and cash equivalents, June 30</b>	<u>\$ 29,234,139</u>	<u>\$ 820,080</u>	<u>\$ 11,148,097</u>	<u>\$ 73,876</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 3,895,761	\$ (403,018)	\$ 1,049,387	\$ (392,650)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	220,243	43	37,101	-
Decrease (increase) in accrued interest and receivables	(2,912,424)	423,954	2,370	37,525
Decrease (increase) in inventory, deferred charges, other assets	-	-	2,480	374,771
Increase (decrease) in accounts payable, accruals, other liabilities	333,163	94,842	578,088	(36,101)
Total adjustments	<u>(2,359,018)</u>	<u>518,839</u>	<u>620,039</u>	<u>376,195</u>
Net cash provided by (used for) operating activities	<u>\$ 1,536,743</u>	<u>\$ 115,821</u>	<u>\$ 1,669,426</u>	<u>\$ (16,455)</u>
<b>Noncash investing, capital and financing activities</b>				
Increase (decrease) in fair value of investments	\$ (14,086)	\$ -	\$ -	\$ -



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Prison Industry	Nevada Magazine	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 2,783,602	\$ 837,168	\$ 7,495,916	\$ 1,073,073	\$ 56,808,959
2,239,598	319,178	115,641	-	3,063,805
(1,554,582)	(545,614)	(3,267,001)	(38,523)	(18,299,308)
(1,687,098)	(516,489)	(145,454)	(166,402)	(28,187,987)
(1,448,413)	(65,460)	(510,394)	(62,343)	(5,222,771)
-	-	(3,503,177)	(3,530)	(3,507,467)
<u>333,107</u>	<u>28,783</u>	<u>185,531</u>	<u>802,275</u>	<u>4,655,231</u>
-	-	-	-	2,542,286
-	4,479	5,427,915	-	5,433,829
(980,167)	-	-	-	(13,905,501)
<u>(980,167)</u>	<u>4,479</u>	<u>5,427,915</u>	<u>-</u>	<u>(5,929,386)</u>
-	-	-	1,530	3,510
(62,129)	-	-	-	(298,920)
-	-	-	(135,000)	(150,090)
-	-	-	(353,480)	(353,480)
-	-	-	(1,008,466)	(1,008,466)
<u>(62,129)</u>	<u>-</u>	<u>-</u>	<u>(1,495,416)</u>	<u>(1,807,446)</u>
-	-	124,427,620	-	124,427,620
-	-	(136,243,404)	-	(136,243,404)
31,686	-	2,680,885	-	3,122,979
<u>31,686</u>	<u>-</u>	<u>(9,134,899)</u>	<u>-</u>	<u>(8,692,805)</u>
(677,503)	33,262	(3,521,453)	(693,141)	(11,774,406)
2,158,228	74,390	5,343,999	1,790,512	57,558,892
<u>\$ 1,480,725</u>	<u>\$ 107,652</u>	<u>\$ 1,822,546</u>	<u>\$ 1,097,371</u>	<u>\$ 45,784,486</u>
<u>\$ (773,985)</u>	<u>\$ 62,561</u>	<u>\$ (5,828,522)</u>	<u>\$ 730,520</u>	<u>\$ (1,659,946)</u>
130,993	-	2,000	51,306	441,686
592,242	7,849	(610,501)	(36,097)	(2,495,082)
291,668	3,416	-	-	672,335
92,189	(45,043)	6,622,554	56,546	7,696,238
<u>1,107,092</u>	<u>(33,778)</u>	<u>6,014,053</u>	<u>71,755</u>	<u>6,315,177</u>
<u>\$ 333,107</u>	<u>\$ 28,783</u>	<u>\$ 185,531</u>	<u>\$ 802,275</u>	<u>\$ 4,655,231</u>
\$ (6,102)	\$ -	\$ 9,394,466	\$ -	\$ 9,374,278



**Hiking at Kings Canyon  
Carson City, NV**

Photographed by Diane Sterling

# INTERNAL SERVICE FUNDS

**Self-Insurance** Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

**Buildings and Grounds** Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

**Motor Pool** Accounts for the operations of the State vehicle fleet (NRS 336.110).

**Communications** Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 331.103).

**Insurance Premiums** Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

**Administrative Services** Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

**Personnel** Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

**Purchasing** Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

**Information Services** Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

**Printing** Accounts for the operation of the State printing facilities (NRS 344.090).



# Combining Statement of Net Assets Internal Service Funds

June 30, 2010

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Assets</b>				
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 85,199,531	\$ 4,622,969	\$ 1,151,403	\$ 454,722
Cash in custody of other officials	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,952,483	4,770	-	-
Intergovernmental receivables	5,995,145	2,403	12,102	1,084
Notes receivable	-	-	-	-
Due from other funds	2,030,393	367,458	384,435	548,632
Due from fiduciary funds	2,723,307	-	386	-
Due from component units	2,100,558	-	1,380	955
Inventory	-	-	-	-
Prepaid expenses	-	134	-	-
<b>Total current assets</b>	<b>100,001,417</b>	<b>4,997,734</b>	<b>1,549,706</b>	<b>1,005,393</b>
<b>Noncurrent assets:</b>				
Notes receivable	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	-	-
Buildings	-	2,268,068	1,037,144	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	361,572	879,686	13,757,769	1,073,645
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(258,538)	(2,196,902)	(10,813,058)	(923,060)
<b>Total noncurrent assets</b>	<b>103,034</b>	<b>1,262,468</b>	<b>3,981,855</b>	<b>573,036</b>
<b>Total assets</b>	<b>100,104,451</b>	<b>6,260,202</b>	<b>5,531,561</b>	<b>1,578,429</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	5,022,771	981,625	76,685	4,683
Accrued payroll and related liabilities	88,192	267,792	31,080	40,159
Intergovernmental payables	-	37,435	547	-
Bank overdraft	5,580,929	-	-	-
Due to other funds	11,169	53,581	72,351	5,172
Due to fiduciary funds	-	4,464	1,098	-
Due to component units	-	-	-	-
Deferred revenues	86,579	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	34,473,000	-	-	-
Compensated absences	106,048	397,278	65,328	65,521
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total current liabilities</b>	<b>45,368,688</b>	<b>1,742,175</b>	<b>247,089</b>	<b>115,535</b>
<b>Noncurrent liabilities:</b>				
<i>Advances:</i>				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	45,864	174,647	52,394	37,930
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>45,864</b>	<b>174,647</b>	<b>52,394</b>	<b>37,930</b>
<b>Total liabilities</b>	<b>45,414,552</b>	<b>1,916,822</b>	<b>299,483</b>	<b>153,465</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	103,034	1,262,468	3,981,855	573,036
Unrestricted (deficit)	54,586,865	3,080,912	1,250,223	851,928
<b>Total net assets</b>	<b>\$ 54,689,899</b>	<b>\$ 4,343,380</b>	<b>\$ 5,232,078</b>	<b>\$ 1,424,964</b>



NEVADA

<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 20,034,809	\$ 398,678	\$ 2,838,951	\$ 658,784	\$ 3,502,777	\$ 749,994	\$ 119,612,618
-	-	-	-	100	-	100
9,039	-	187	350	2,350	14,248	1,983,427
-	-	-	-	27,673	-	6,038,407
10,000	-	-	-	-	-	10,000
860,600	-	40,559	1,150	1,920,237	206,644	6,360,108
-	-	-	-	188	-	2,723,881
-	-	-	-	3,328	-	2,106,221
-	-	-	-	-	279,585	279,585
816,492	-	-	-	-	-	816,626
<u>21,730,940</u>	<u>398,678</u>	<u>2,879,697</u>	<u>660,284</u>	<u>5,456,653</u>	<u>1,250,471</u>	<u>139,930,973</u>
100,000	-	-	-	-	-	100,000
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	3,870,571	22,078,621
-	-	-	-	-	-	713,667
30,475	59,699	230,456	189,459	28,118,024	3,933,727	48,634,512
-	-	15,323,810	-	-	-	15,323,810
(27,289)	(52,016)	(14,222,139)	(312,553)	(27,571,544)	(3,873,123)	(60,250,222)
<u>103,186</u>	<u>7,683</u>	<u>1,332,127</u>	<u>112,460</u>	<u>15,324,318</u>	<u>3,931,175</u>	<u>26,731,342</u>
<u>21,834,126</u>	<u>406,361</u>	<u>4,211,824</u>	<u>772,744</u>	<u>20,780,971</u>	<u>5,181,646</u>	<u>166,662,315</u>
616,668	2,815	120,051	6,873	187,670	263,188	7,283,029
31,156	41,297	254,195	80,730	462,000	-	1,296,601
-	-	-	-	1,769	-	39,751
-	-	-	-	-	-	5,580,929
105,804	6,696	1,072,773	25,960	264,749	13,067	1,631,322
-	-	1	-	-	9,192	14,755
15,671	-	3,500	-	-	-	19,171
-	-	-	-	11,572	-	98,151
16,993,753	-	-	-	-	-	51,466,753
28,762	54,281	365,798	148,317	731,552	87,344	2,050,229
-	-	-	-	513,323	-	513,323
-	-	-	-	1,309,397	-	1,309,397
<u>17,791,814</u>	<u>105,089</u>	<u>1,816,318</u>	<u>261,880</u>	<u>3,482,032</u>	<u>372,791</u>	<u>71,303,411</u>
-	-	1,059,293	-	914,508	-	1,973,801
-	-	-	-	1,506,366	-	1,506,366
28,168,951	-	-	-	-	-	28,168,951
4,807	14,563	219,610	94,106	401,589	86,764	1,132,274
-	-	-	-	7,302,864	-	7,302,864
-	-	-	-	1,257,774	-	1,257,774
<u>28,173,758</u>	<u>14,563</u>	<u>1,278,903</u>	<u>94,106</u>	<u>11,383,101</u>	<u>86,764</u>	<u>41,342,030</u>
<u>45,965,572</u>	<u>119,652</u>	<u>3,095,221</u>	<u>355,986</u>	<u>14,865,133</u>	<u>459,555</u>	<u>112,645,441</u>
3,186	7,683	1,332,127	112,460	5,144,285	3,931,175	16,451,309
(24,134,632)	279,026	(215,524)	304,298	771,553	790,916	37,565,565
<u>\$ (24,131,446)</u>	<u>\$ 286,709</u>	<u>\$ 1,116,603</u>	<u>\$ 416,758</u>	<u>\$ 5,915,838</u>	<u>\$ 4,722,091</u>	<u>\$ 54,016,874</u>

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds

For the Fiscal Year Ended June 30, 2010

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Operating Revenues</b>				
Net premium income	\$ 341,716,909	\$ -	\$ -	\$ -
Sales	-	-	-	-
Charges for services	-	1,159,942	22,692	6,096,830
Rental income	-	15,146,326	4,782,924	-
Other	4,016,840	59,107	-	-
<b>Total operating revenues</b>	<b>345,733,749</b>	<b>16,365,375</b>	<b>4,805,616</b>	<b>6,096,830</b>
<b>Operating Expenses</b>				
Salaries and benefits	2,164,391	6,121,005	842,984	1,012,011
Operating	3,020,097	9,758,394	2,008,255	5,564,238
Claims expense	238,725,223	-	-	-
Materials or supplies used	-	-	435,892	-
Depreciation	32,942	102,575	2,088,980	74,564
Amortization	-	-	-	-
Insurance premiums	98,884,219	-	-	-
<b>Total operating expenses</b>	<b>342,826,872</b>	<b>15,981,974</b>	<b>5,376,111</b>	<b>6,650,813</b>
Operating income (loss)	2,906,877	383,401	(570,495)	(553,983)
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	215,882	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	1,470	196,867	-
<b>Total nonoperating revenues (expenses)</b>	<b>215,882</b>	<b>1,470</b>	<b>196,867</b>	<b>-</b>
Income (loss) before transfers	3,122,759	384,871	(373,628)	(553,983)
<b>Transfers</b>				
Transfers in	-	203,908	-	-
Change in net assets	3,122,759	588,779	(373,628)	(553,983)
Net assets, July 1	51,567,140	3,754,601	5,605,706	1,978,947
<b>Net assets, June 30</b>	<b>\$ 54,689,899</b>	<b>\$ 4,343,380</b>	<b>\$ 5,232,078</b>	<b>\$ 1,424,964</b>



NEVADA

<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 25,479,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,196,083
-	-	-	-	-	2,768,661	2,768,661
-	1,193,939	9,419,865	2,415,312	21,774,606	-	42,083,186
-	-	-	-	162,344	-	20,091,594
61,786	-	38,731	3,150	-	25,462	4,205,076
<u>25,540,960</u>	<u>1,193,939</u>	<u>9,458,596</u>	<u>2,418,462</u>	<u>21,936,950</u>	<u>2,794,123</u>	<u>436,344,600</u>
711,029	1,016,130	6,101,282	1,995,811	11,051,321	1,567,938	32,583,902
2,359,857	248,014	2,749,933	697,128	8,273,542	707,384	35,386,842
13,211,848	-	-	-	-	-	251,937,071
-	-	-	-	-	667,176	1,103,068
2,009	2,886	25,078	7,148	2,907,971	347,643	5,591,796
-	-	857,853	-	-	-	857,853
5,105,976	-	-	-	-	-	103,990,195
<u>21,390,719</u>	<u>1,267,030</u>	<u>9,734,146</u>	<u>2,700,087</u>	<u>22,232,834</u>	<u>3,290,141</u>	<u>431,450,727</u>
<u>4,150,241</u>	<u>(73,091)</u>	<u>(275,550)</u>	<u>(281,625)</u>	<u>(295,884)</u>	<u>(496,018)</u>	<u>4,893,873</u>
662	-	-	-	-	-	216,544
-	-	(40)	(110)	(118,330)	-	(118,480)
-	-	-	-	24,007	(155)	222,189
<u>662</u>	<u>-</u>	<u>(40)</u>	<u>(110)</u>	<u>(94,323)</u>	<u>(155)</u>	<u>320,253</u>
<u>4,150,903</u>	<u>(73,091)</u>	<u>(275,590)</u>	<u>(281,735)</u>	<u>(390,207)</u>	<u>(496,173)</u>	<u>5,214,126</u>
-	-	-	-	-	160,192	364,100
<u>4,150,903</u>	<u>(73,091)</u>	<u>(275,590)</u>	<u>(281,735)</u>	<u>(390,207)</u>	<u>(335,981)</u>	<u>5,578,226</u>
<u>(28,282,349)</u>	<u>359,800</u>	<u>1,392,193</u>	<u>698,493</u>	<u>6,306,045</u>	<u>5,058,072</u>	<u>48,438,648</u>
<u>\$ (24,131,446)</u>	<u>\$ 286,709</u>	<u>\$ 1,116,603</u>	<u>\$ 416,758</u>	<u>\$ 5,915,838</u>	<u>\$ 4,722,091</u>	<u>\$ 54,016,874</u>

## Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 2010

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 91,015,348	\$ 24,425	\$ 18,668	\$ 2,682
Receipts for interfund services provided	177,933,617	16,155,314	4,744,916	6,778,340
Receipts from component units	76,041,748	-	78,955	8,899
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(344,465,063)	(8,309,243)	(1,515,642)	(5,339,466)
Payments to employees	(2,141,697)	(6,143,923)	(826,628)	(1,006,898)
Payments for interfund services used	(1,153,549)	(956,307)	(975,304)	(245,076)
Payments to component units	-	(120)	-	-
Net cash provided by (used for) operating activities	<u>(2,769,596)</u>	<u>770,146</u>	<u>1,524,965</u>	<u>198,481</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers and advances from other funds	-	203,908	-	-
Other noncapital financing activities	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>203,908</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	-	1,470	197,611	-
Purchase of capital assets	(65,425)	(29,300)	(1,243,756)	(28,236)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(65,425)</u>	<u>(27,830)</u>	<u>(1,046,145)</u>	<u>(28,236)</u>
<b>Cash flows from investing activities</b>				
Interest and dividends received	592,787	-	-	-
Net cash provided by (used for) investing activities	<u>592,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(2,242,234)	946,224	478,820	170,245
Cash and cash equivalents, July 1	87,441,765	3,676,745	672,583	284,477
<b>Cash and cash equivalents, June 30</b>	<u>\$ 85,199,531</u>	<u>\$ 4,622,969</u>	<u>\$ 1,151,403</u>	<u>\$ 454,722</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 2,906,877	\$ 383,401	\$ (570,495)	\$ (553,983)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	32,942	102,575	2,088,980	74,564
Amortization	-	-	-	-
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(816,005)	(185,636)	36,923	693,091
Decrease (increase) in inventory, deferred charges, other assets	-	(134)	-	-
Increase (decrease) in accounts payable, accruals, other liabilities	(4,893,410)	469,940	(30,443)	(15,191)
Total adjustments	<u>(5,676,473)</u>	<u>386,745</u>	<u>2,095,460</u>	<u>752,464</u>
Net cash provided by (used for) operating activities	<u>\$ (2,769,596)</u>	<u>\$ 770,146</u>	<u>\$ 1,524,965</u>	<u>\$ 198,481</u>
<b>Noncash investing, capital and financing activities</b>				
Capital assets leased or acquired	\$ -	\$ -	\$ -	\$ -
Gain (loss) on disposal of assets	-	-	(744)	-
Increase (decrease) in fair value of investments	(200,571)	-	-	-



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 96,606	\$ -	\$ 3,124	\$ 1,497	\$ 480,082	\$ 279,394	\$ 91,921,826
24,375,315	1,193,939	9,247,940	2,416,354	21,964,974	2,525,691	267,336,400
318,665	-	176,335	25	-	-	76,624,627
5,000	-	-	-	-	-	5,000
(11,874,421)	(74,873)	(1,210,915)	(95,696)	(8,072,078)	(1,070,903)	(382,028,300)
(710,610)	(1,011,509)	(6,110,341)	(2,013,974)	(11,072,430)	(1,572,570)	(32,610,580)
(9,701,935)	(214,694)	(1,666,414)	(634,851)	(807,554)	(260,316)	(16,616,000)
(70,498)	-	(13,030)	-	(88,325)	-	(171,973)
<u>2,438,122</u>	<u>(107,137)</u>	<u>426,699</u>	<u>(326,645)</u>	<u>2,404,669</u>	<u>(98,704)</u>	<u>4,461,000</u>
2,000,000	-	-	-	-	242,504	2,446,412
-	-	(40)	-	-	-	(40)
<u>2,000,000</u>	<u>-</u>	<u>(40)</u>	<u>-</u>	<u>-</u>	<u>242,504</u>	<u>2,446,372</u>
-	-	-	-	27,853	-	226,934
-	-	(17,259)	-	(593,525)	(60,666)	(2,038,167)
-	-	(970,267)	-	(2,723,967)	-	(3,694,234)
-	-	-	(110)	(118,330)	-	(118,440)
-	-	(987,526)	(110)	(3,407,969)	(60,666)	(5,623,907)
662	-	-	-	-	-	593,449
662	-	-	-	-	-	593,449
4,438,784	(107,137)	(560,867)	(326,755)	(1,003,300)	83,134	1,876,914
15,596,025	505,815	3,399,818	985,539	4,506,177	666,860	117,735,804
<u>\$ 20,034,809</u>	<u>\$ 398,678</u>	<u>\$ 2,838,951</u>	<u>\$ 658,784</u>	<u>\$ 3,502,877</u>	<u>\$ 749,994</u>	<u>\$ 119,612,718</u>
\$ 4,150,241	\$ (73,091)	\$ (275,550)	\$ (281,625)	\$ (295,884)	\$ (496,018)	\$ 4,893,873
2,009	2,886	25,078	7,148	2,907,971	347,643	5,591,796
-	-	857,853	-	-	-	857,853
5,000	-	-	-	-	-	5,000
(750,374)	430	(31,197)	(586)	502,274	10,962	(540,118)
(550,060)	-	398	-	40	(86,928)	(636,684)
(418,694)	(37,362)	(149,883)	(51,582)	(709,732)	125,637	(5,710,720)
<u>(1,712,119)</u>	<u>(34,046)</u>	<u>702,249</u>	<u>(45,020)</u>	<u>2,700,553</u>	<u>397,314</u>	<u>(432,873)</u>
<u>\$ 2,438,122</u>	<u>\$ (107,137)</u>	<u>\$ 426,699</u>	<u>\$ (326,645)</u>	<u>\$ 2,404,669</u>	<u>\$ (98,704)</u>	<u>\$ 4,461,000</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,555	(155)	5,656
-	-	-	-	-	-	(200,571)

**Kayaking East Fork of the Carson River, NV**  
Photo Courtesy of Nevada Commission on Tourism



# FIDUCIARY FUNDS

## **Pension and Other Employee Benefit Trust Agency**

**Public Employees' Retirement** Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

**Legislators' Retirement** Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

**Judicial Retirement** Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court and district judges (NRS 1A.160).

**State Retirees' Fund** Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB). Funding comes from employer contributions and investment earnings (NRS 287.0436).

## **Investment Trust**

**Local Government Investment Pool** Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

**Nevada Enhanced Savings Term** Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

**Retirement Benefits Investment Fund** Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

## **Private Purpose Trust**

**Prisoners' Personal Property** Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

**Nevada College Savings Plan** Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

**Intergovernmental** Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

**State Agency Fund for Bonds** Accounts for surety bonds and deposits held by the State (NRS 353.251).

**Motor Vehicle** Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

**Child Support Disbursement** Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

**Child Welfare Trust** Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

**Restitution Trust** Accounts for money received from parolees making restitution (NRS 213.126).

**Veterans' Custodial** Accounts for the estates of persons for whom the Nevada Commissioner for Veteran Affairs acts as guardian (NRS 417.113).

**State Payroll** Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc. (NRS 227.130).



**Combining Statement of Fiduciary Net Assets  
Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds**

June 30, 2010

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 29,257,133	\$ 29,257,133
Cash in custody of other officials	389,957,314	25,415	382,874	-	390,365,603
<i>Investments:</i>					
Investments	-	-	-	760,739	760,739
Fixed income securities	6,184,214,644	1,228,150	14,271,162	-	6,199,713,956
Marketable equity securities	7,833,430,243	2,304,057	26,392,672	-	7,862,126,972
International securities	5,069,365,796	208,284	2,630,572	-	5,072,204,652
Mortgage loans	4,378	-	-	-	4,378
Real estate	853,999,874	-	-	-	853,999,874
Alternative investments	575,344,723	-	-	-	575,344,723
Collateral on loaned securities	2,942,675,281	-	-	-	2,942,675,281
<i>Receivables:</i>					
Accrued interest and dividends	97,567,846	1,365	69,403	-	97,638,614
Trades pending settlement	251,956,939	5,649	14,784	-	251,977,372
Intergovernmental receivables	88,425,497	-	723,032	35,425	89,183,954
Contributions receivable	-	-	-	-	-
Due from other funds	-	-	-	1,253,180	1,253,180
Due from fiduciary funds	17,964,909	-	-	-	17,964,909
Due from component units	-	-	-	1,312,085	1,312,085
Other assets	2,053,010	-	-	-	2,053,010
Furniture and equipment	35,321,293	-	-	-	35,321,293
Accumulated depreciation	(31,031,992)	-	-	-	(31,031,992)
<b>Total assets</b>	<b>24,311,249,755</b>	<b>3,772,920</b>	<b>44,484,499</b>	<b>32,618,562</b>	<b>24,392,125,736</b>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	11,205,431	550	16,219	-	11,222,200
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	372,683,783	894	10,113	-	372,694,790
Bank overdraft	-	-	-	-	-
Obligations under securities lending	3,021,077,050	-	-	-	3,021,077,050
Due to other funds	386	-	-	2,723,307	2,723,693
Due to fiduciary funds	-	-	-	-	-
<b>Total liabilities</b>	<b>3,404,966,650</b>	<b>1,444</b>	<b>26,332</b>	<b>2,723,307</b>	<b>3,407,717,733</b>
<b>Net Assets</b>					
<i>Held in trust for:</i>					
Employees' pension benefits	20,906,283,105	3,771,476	44,458,167	-	20,954,512,748
OPEB benefits	-	-	-	29,895,255	29,895,255
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
<b>Total net assets</b>	<b>\$ 20,906,283,105</b>	<b>\$ 3,771,476</b>	<b>\$ 44,458,167</b>	<b>\$ 29,895,255</b>	<b>\$ 20,984,408,003</b>



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ 73	\$ -	\$ -	\$ 73	\$ 4,773,745	\$ -	\$ 4,773,745
-	-	5,969,877	5,969,877	-	5,320,660	5,320,660
586,527,217	352,237,565	24,645,442	963,410,224	-	5,885,633,932	5,885,633,932
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
316,847	1,293,724	37,763	1,648,334	-	7,000	7,000
-	-	-	-	-	11,666,158	11,666,158
-	-	-	-	65,333	-	65,333
-	-	-	-	-	4,710,000	4,710,000
82,924	-	-	82,924	173,747	-	173,747
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>586,927,061</u>	<u>353,531,289</u>	<u>30,653,082</u>	<u>971,111,432</u>	<u>5,012,825</u>	<u>5,907,337,750</u>	<u>5,912,350,575</u>
-	133,258	14,321	147,579	136,471	1,760,123	1,896,594
8,973	-	-	8,973	13,474	-	13,474
-	-	-	-	-	1,954,521	1,954,521
-	-	5,475,724	5,475,724	-	15,222,321	15,222,321
-	-	-	-	-	4,000	4,000
-	-	-	-	-	-	-
454	-	-	454	539,732	-	539,732
-	-	-	-	12,687	-	12,687
<u>9,427</u>	<u>133,258</u>	<u>5,490,045</u>	<u>5,632,730</u>	<u>702,364</u>	<u>18,940,965</u>	<u>19,643,329</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
586,917,634	353,398,031	25,163,037	965,478,702	-	-	-
-	-	-	-	4,310,461	5,888,396,785	5,892,707,246
<u>\$ 586,917,634</u>	<u>\$ 353,398,031</u>	<u>\$ 25,163,037</u>	<u>\$ 965,478,702</u>	<u>\$ 4,310,461</u>	<u>\$ 5,888,396,785</u>	<u>\$ 5,892,707,246</u>

# Combining Statement of Changes in Fiduciary Net Assets Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds

For the Fiscal Year Ended June 30, 2010

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
<b>Additions</b>					
<i>Contributions:</i>					
Employer	\$ 1,281,714,847	\$ 200,866	\$ 5,836,481	\$ 34,079,401	\$ 1,321,831,595
Plan members	99,683,851	30,601	-	-	99,714,452
Participants	-	-	-	-	-
Repayment and purchase of service	26,890,242	-	-	-	26,890,242
<b>Total contributions</b>	<b>1,408,288,940</b>	<b>231,467</b>	<b>5,836,481</b>	<b>34,079,401</b>	<b>1,448,436,289</b>
<i>Investment income:</i>					
Net increase (decrease) in fair value of investments	1,418,887,486	447,441	4,590,852	3,734,424	1,427,660,203
Interest, dividends	596,336,416	49,509	553,196	127,975	597,067,096
Net securities lending income	1,726,152	-	-	-	1,726,152
Other	66,326,682	-	-	-	66,326,682
	2,083,276,736	496,950	5,144,048	3,862,399	2,092,780,133
Less investment expense:					
Other	(23,898,938)	(821)	(10,348)	-	(23,910,107)
<b>Net investment income</b>	<b>2,059,377,798</b>	<b>496,129</b>	<b>5,133,700</b>	<b>3,862,399</b>	<b>2,068,870,026</b>
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	1,931,123	48,843	31	-	1,979,997
<b>Total other</b>	<b>1,931,123</b>	<b>48,843</b>	<b>31</b>	<b>-</b>	<b>1,979,997</b>
<b>Total additions</b>	<b>3,469,597,861</b>	<b>776,439</b>	<b>10,970,212</b>	<b>37,941,800</b>	<b>3,519,286,312</b>
<b>Deductions</b>					
Principal redeemed	-	-	-	-	-
Benefit payments	1,301,633,191	399,368	3,114,507	31,555,808	1,336,702,874
Refunds	20,270,764	-	-	-	20,270,764
Contribution distributions	429,264	-	-	-	429,264
Dividends to investors	-	-	-	-	-
Administrative expense	11,118,633	46,962	71,369	26,691	11,263,655
<b>Total deductions</b>	<b>1,333,451,852</b>	<b>446,330</b>	<b>3,185,876</b>	<b>31,582,499</b>	<b>1,368,666,557</b>
Change in net assets	2,136,146,009	330,109	7,784,336	6,359,301	2,150,619,755
Net assets, July 1	18,770,137,096	3,441,367	36,673,831	23,535,954	18,833,788,248
<b>Net assets, June 30</b>	<b>\$ 20,906,283,105</b>	<b>\$ 3,771,476</b>	<b>\$ 44,458,167</b>	<b>\$ 29,895,255</b>	<b>\$20,984,408,003</b>



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	17,554,823	1,725,537,980	1,743,092,803
-	-	-	-	-	-	-
-	-	-	-	17,554,823	1,725,537,980	1,743,092,803
(28,851)	(1,225,309)	1,176,634	(77,526)	-	450,178,644	450,178,644
1,294,616	12,312,676	1,012,899	14,620,191	-	138,843,674	138,843,674
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,265,765	11,087,367	2,189,533	14,542,665	-	589,022,318	589,022,318
-	-	(9,922)	(9,922)	-	-	-
1,265,765	11,087,367	2,179,611	14,532,743	-	589,022,318	589,022,318
776,693,379	3,000,000	5,866,227	785,559,606	-	-	-
1,211,961	-	-	1,211,961	-	-	-
-	-	53	53	-	-	-
777,905,340	3,000,000	5,866,280	786,771,620	-	-	-
779,171,105	14,087,367	8,045,891	801,304,363	17,554,823	2,314,560,298	2,332,115,121
868,209,736	9,040,275	-	877,250,011	-	972,973,972	972,973,972
-	-	-	-	17,640,812	-	17,640,812
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,282,640	-	-	1,282,640	-	-	-
11,975	529,266	19,020	560,261	-	21,623,909	21,623,909
869,504,351	9,569,541	19,020	879,092,912	17,640,812	994,597,881	1,012,238,693
(90,333,246)	4,517,826	8,026,871	(77,788,549)	(85,989)	1,319,962,417	1,319,876,428
677,250,880	348,880,205	17,136,166	1,043,267,251	4,396,450	4,568,434,368	4,572,830,818
<u>\$ 586,917,634</u>	<u>\$ 353,398,031</u>	<u>\$ 25,163,037</u>	<u>\$ 965,478,702</u>	<u>\$ 4,310,461</u>	<u>\$ 5,888,396,785</u>	<u>\$ 5,892,707,246</u>

# Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2010

	<u>Intergovernmental</u>	<u>State Agency Fund for Bonds</u>	<u>Motor Vehicle</u>	<u>Child Support Disbursement</u>
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 10,367,534	\$ 56,476,232	\$ 26,750,994	\$ -
Cash in custody of other officials	-	74,797,437	5,639,489	3,552,924
Investments	-	175,661,293	-	-
<i>Receivables:</i>				
Taxes receivable	10,503,877	-	-	-
Other receivables	-	-	33,837,971	-
Due from other funds	367,404,453	1,072,320	485,781	-
Due from fiduciary funds	11,194,115	-	563	-
<b>Total assets</b>	<u><u>\$ 399,469,979</u></u>	<u><u>\$ 308,007,282</u></u>	<u><u>\$ 66,714,798</u></u>	<u><u>\$ 3,552,924</u></u>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	399,469,979	-	47,659,586	-
Due to fiduciary funds	-	-	11,194,115	-
<i>Other liabilities:</i>				
Deposits	-	307,966,506	7,766,387	-
Other liabilities	-	40,776	94,710	3,552,924
<b>Total liabilities</b>	<u><u>\$ 399,469,979</u></u>	<u><u>\$ 308,007,282</u></u>	<u><u>\$ 66,714,798</u></u>	<u><u>\$ 3,552,924</u></u>



<u>Child Welfare Trust</u>	<u>Restitution Trust</u>	<u>Veterans' Custodial</u>	<u>State Payroll</u>	<u>Total</u>
\$ 18,041	\$ 1,936,816	\$ 100,212	\$ 17,852,440	\$ 113,502,269
-	-	-	-	83,989,850
-	-	-	-	175,661,293
-	-	-	-	10,503,877
-	-	-	-	33,837,971
783	340	53	156,370	369,120,100
-	12,124	-	-	11,206,802
<u>\$ 18,824</u>	<u>\$ 1,949,280</u>	<u>\$ 100,265</u>	<u>\$ 18,008,810</u>	<u>\$ 797,822,162</u>
\$ -	\$ -	\$ -	\$ 43,901	\$ 43,901
13,423	-	-	-	447,142,988
-	-	-	17,964,909	29,159,024
-	-	-	-	315,732,893
5,401	1,949,280	100,265	-	5,743,356
<u>\$ 18,824</u>	<u>\$ 1,949,280</u>	<u>\$ 100,265</u>	<u>\$ 18,008,810</u>	<u>\$ 797,822,162</u>

# Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<b>Intergovernmental</b>				
<b>Assets</b>				
Cash with treasurer	\$ 13,981,835	\$ 2,578,881,778	\$ 2,582,496,079	\$ 10,367,534
Taxes receivable	10,444,666	26,349,262	26,290,051	10,503,877
Due from other funds	347,438,143	367,404,453	347,438,143	367,404,453
Due from fiduciary funds	11,569,272	11,194,115	11,569,272	11,194,115
<b>Total assets</b>	<b>\$ 383,433,916</b>	<b>\$ 2,983,829,608</b>	<b>\$ 2,967,793,545</b>	<b>\$ 399,469,979</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 383,433,916	\$ 2,994,507,015	\$ 2,978,470,952	\$ 399,469,979
<b>Total liabilities</b>	<b>\$ 383,433,916</b>	<b>\$ 2,994,507,015</b>	<b>\$ 2,978,470,952</b>	<b>\$ 399,469,979</b>
<b>State Agency Fund for Bonds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 55,316,829	\$ 6,916,967	\$ 5,757,564	\$ 56,476,232
Cash in custody of other officials	72,393,269	13,992,208	11,588,040	74,797,437
Investments	154,842,201	84,498,569	63,679,477	175,661,293
Due from other funds	1,010,931	1,072,320	1,010,931	1,072,320
<b>Total assets</b>	<b>\$ 283,563,230</b>	<b>\$ 106,480,064</b>	<b>\$ 82,036,012</b>	<b>\$ 308,007,282</b>
<b>Liabilities</b>				
Deposits	\$ 283,523,238	\$ 104,306,175	\$ 79,862,907	\$ 307,966,506
Other liabilities	39,992	822	38	40,776
<b>Total liabilities</b>	<b>\$ 283,563,230</b>	<b>\$ 104,306,997</b>	<b>\$ 79,862,945</b>	<b>\$ 308,007,282</b>
<b>Motor Vehicle</b>				
<b>Assets</b>				
Cash with treasurer	\$ 20,899,358	\$ 1,061,755,318	\$ 1,055,903,682	\$ 26,750,994
Cash in custody of other officials	3,239,403	2,562,486	162,400	5,639,489
Intergovernmental receivables	215,958	-	215,958	-
Other receivables	35,829,200	66,420,479	68,411,708	33,837,971
Due from other funds	1,485,451	485,781	1,485,451	485,781
Due from fiduciary funds	240	563	240	563
<b>Total assets</b>	<b>\$ 61,669,610</b>	<b>\$ 1,131,224,627</b>	<b>\$ 1,126,179,439</b>	<b>\$ 66,714,798</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 45,384,885	\$ 1,116,246,030	\$ 1,113,971,329	\$ 47,659,586
Due to fiduciary funds	11,569,272	11,194,115	11,569,272	11,194,115
Deposits	4,546,557	3,450,439	230,609	7,766,387
Other liabilities	168,896	-	74,186	94,710
<b>Total liabilities</b>	<b>\$ 61,669,610</b>	<b>\$ 1,130,890,584</b>	<b>\$ 1,125,845,396</b>	<b>\$ 66,714,798</b>
<b>Child Support Disbursement</b>				
<b>Assets</b>				
Cash in custody of other officials	\$ 3,961,512	\$ 194,790,707	\$ 195,199,295	\$ 3,552,924
<b>Total assets</b>	<b>\$ 3,961,512</b>	<b>\$ 194,790,707</b>	<b>\$ 195,199,295</b>	<b>\$ 3,552,924</b>
<b>Liabilities</b>				
Other liabilities	\$ 3,961,512	\$ 194,121,771	\$ 194,530,359	\$ 3,552,924
<b>Total liabilities</b>	<b>\$ 3,961,512</b>	<b>\$ 194,121,771</b>	<b>\$ 194,530,359</b>	<b>\$ 3,552,924</b>
<b>Child Welfare Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 41,871	\$ 336,867	\$ 360,697	\$ 18,041
Other receivables	5,594	-	5,594	-
Due from other funds	467	783	467	783
<b>Total assets</b>	<b>\$ 47,932</b>	<b>\$ 337,650</b>	<b>\$ 366,758</b>	<b>\$ 18,824</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ -	\$ 13,423	\$ -	\$ 13,423
Other liabilities	47,932	373,010	415,541	5,401
<b>Total liabilities</b>	<b>\$ 47,932</b>	<b>\$ 386,433</b>	<b>\$ 415,541</b>	<b>\$ 18,824</b>



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	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<b>Restitution Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,325,601	\$ 3,095,312	\$ 2,484,097	\$ 1,936,816
Due from other funds	657	340	657	340
Due from fiduciary funds	13,804	12,124	13,804	12,124
<b>Total assets</b>	<b>\$ 1,340,062</b>	<b>\$ 3,107,776</b>	<b>\$ 2,498,558</b>	<b>\$ 1,949,280</b>
<b>Liabilities</b>				
Other liabilities	\$ 1,340,062	\$ 3,087,898	\$ 2,478,680	\$ 1,949,280
<b>Total liabilities</b>	<b>\$ 1,340,062</b>	<b>\$ 3,087,898</b>	<b>\$ 2,478,680</b>	<b>\$ 1,949,280</b>
<b>Veterans Custodial</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,019,849	\$ 84,341	\$ 1,003,978	\$ 100,212
Due from other funds	8,891	53	8,891	53
<b>Total assets</b>	<b>\$ 1,028,740</b>	<b>\$ 84,394</b>	<b>\$ 1,012,869</b>	<b>\$ 100,265</b>
<b>Liabilities</b>				
Other liabilities	\$ 1,028,740	\$ 84,376	\$ 1,012,851	\$ 100,265
<b>Total liabilities</b>	<b>\$ 1,028,740</b>	<b>\$ 84,376</b>	<b>\$ 1,012,851</b>	<b>\$ 100,265</b>
<b>State Payroll</b>				
<b>Assets</b>				
Cash with treasurer	\$ 17,364,311	\$ 634,511,033	\$ 634,022,904	\$ 17,852,440
Due from other funds	50,536	156,370	50,536	156,370
<b>Total assets</b>	<b>\$ 17,414,847</b>	<b>\$ 634,667,403</b>	<b>\$ 634,073,440</b>	<b>\$ 18,008,810</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 7,250	\$ 400,326,064	\$ 400,289,413	\$ 43,901
Due to fiduciary funds	17,407,597	234,872,716	234,315,404	17,964,909
<b>Total liabilities</b>	<b>\$ 17,414,847</b>	<b>\$ 635,198,780</b>	<b>\$ 634,604,817</b>	<b>\$ 18,008,810</b>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 109,949,654	\$ 4,285,581,616	\$ 4,282,029,001	\$ 113,502,269
Cash in custody of other officials	79,594,184	211,345,401	206,949,735	83,989,850
Investments	154,842,201	84,498,569	63,679,477	175,661,293
Taxes receivable	10,444,666	26,349,262	26,290,051	10,503,877
Intergovernmental receivables	215,958	-	215,958	-
Other receivables	35,834,794	66,420,479	68,417,302	33,837,971
Due from other funds	349,995,076	369,120,100	349,995,076	369,120,100
Due from fiduciary funds	11,583,316	11,206,802	11,583,316	11,206,802
<b>Total assets</b>	<b>\$ 752,459,849</b>	<b>\$ 5,054,522,229</b>	<b>\$ 5,009,159,916</b>	<b>\$ 797,822,162</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 7,250	\$ 400,326,064	\$ 400,289,413	\$ 43,901
Intergovernmental payables	428,818,801	4,110,766,468	4,092,442,281	447,142,988
Due to fiduciary funds	28,976,869	246,066,831	245,884,676	29,159,024
Deposits	288,069,795	107,756,614	80,093,516	315,732,893
Other liabilities	6,587,134	197,667,877	198,511,655	5,743,356
<b>Total liabilities</b>	<b>\$ 752,459,849</b>	<b>\$ 5,062,583,854</b>	<b>\$ 5,017,221,541</b>	<b>\$ 797,822,162</b>



**Free Fishing Day  
Cave Lake, NV**

Photo Courtesy of Nevada Department of Wildlife



# STATISTICAL SECTION

This part of the State of Nevada’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<b><u>TABLES</u></b>	<b><u>PAGES</u></b>
<b>FINANCIAL TRENDS</b>	
These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	<b>150</b>
<b>REVENUE CAPACITY</b>	
These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales.	<b>154</b>
<b>DEBT CAPACITY</b>	
These tables present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	<b>155</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	<b>159</b>
<b>OPERATING INFORMATION</b>	
These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	<b>162</b>

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports of the relevant year.

# Statistical Tables



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**Table 1 - Net Assets by Component**

Last Nine Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

Governmental Activities	2002	2003	2004	2005	2006	2007	2008	2009	2010
Invested in capital assets, net of related debt	\$ 3,149,657	\$ 3,222,052	\$ 3,493,458	\$ 3,257,469	\$ 3,445,629	\$ 3,486,155	\$ 3,522,177	\$ 3,492,205	\$ 3,622,787
Restricted	402,535	432,125	484,164	663,901	675,966	613,375	697,168	702,743	683,526
Unrestricted (deficit) (a)	(31,969)	(161,833)	(153,370)	303,704	504,541	623,787	289,123	(236,912)	(224,799)
<b>Total governmental activities net assets</b>	<b>\$ 3,520,223</b>	<b>\$ 3,492,344</b>	<b>\$3,824,252</b>	<b>\$ 4,225,074</b>	<b>\$ 4,626,136</b>	<b>\$ 4,723,317</b>	<b>\$ 4,508,468</b>	<b>\$ 3,958,036</b>	<b>\$ 4,081,514</b>
<b>Business-type Activities</b>									
Invested in capital assets, net of related debt	\$ 2,659	\$ 3,059	\$ 3,047	\$ 2,906	\$ 2,824	\$ 2,783	\$ 3,393	\$ 3,286	\$ 3,615
Restricted	826,190	801,846	821,829	956,895	1,143,248	1,293,737	1,297,613	819,348	464,346
Unrestricted (deficit)	8,009	8,029	8,475	8,470	6,428	9,441	10,206	(5,466)	(303,705)
<b>Total business-type activities net assets</b>	<b>\$ 836,858</b>	<b>\$ 812,934</b>	<b>\$833,351</b>	<b>\$ 968,271</b>	<b>\$ 1,152,500</b>	<b>\$ 1,305,961</b>	<b>\$ 1,311,212</b>	<b>\$ 817,168</b>	<b>\$ 164,256</b>
<b>Primary Government</b>									
Invested in capital assets, net of related debt	\$ 3,152,316	\$ 3,225,111	\$ 3,496,505	\$ 3,260,375	\$ 3,448,453	\$ 3,488,938	\$ 3,525,570	\$ 3,495,491	\$ 3,626,402
Restricted	1,228,725	1,233,971	1,305,993	1,620,796	1,819,214	1,907,112	1,994,781	1,522,091	1,147,872
Unrestricted (deficit) (a)	(23,960)	(153,804)	(144,895)	312,174	510,969	633,228	299,329	(242,378)	(528,504)
<b>Total primary government net assets</b>	<b>\$ 4,357,081</b>	<b>\$ 4,305,278</b>	<b>\$4,657,603</b>	<b>\$ 5,193,345</b>	<b>\$ 5,778,636</b>	<b>\$ 6,029,278</b>	<b>\$ 5,819,680</b>	<b>\$ 4,775,204</b>	<b>\$ 4,245,770</b>

Notes: The State did not begin reporting government-wide statements until it implemented GASB Statement 34 in fiscal year 2002.

(a) The 2003 legislative session enacted changes in the State's tax structure, which resulted in increases in general revenues and the unrestricted net assets. These changes went into effect in October 2003, with the first full fiscal year results seen in 2005.

**Table 2 - Changes in Net Assets**

Last Nine Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:									
General government	\$ 209,074	\$ 226,761	\$ 226,585	\$ 304,926	\$ 349,224	\$ 421,291	\$ 439,682	\$ 389,943	\$ 375,219
Health and social services (c)	1,604,205	1,817,001	1,888,806	2,082,562	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013
Education and support services	1,363,536	1,439,255	1,663,862	1,717,479	1,830,236	2,254,626	2,381,731	2,475,416	2,430,923
Law, justice and public safety	448,082	444,774	485,480	535,371	578,049	624,149	650,657	687,410	690,104
Regulation of business	81,800	81,674	86,318	92,240	101,857	104,385	114,786	118,086	100,380
Transportation	356,692	394,489	474,416	665,315	508,569	680,281	576,815	762,610	644,976
Recreation and resource development	115,082	124,426	132,106	157,881	156,933	173,037	167,627	165,741	161,048
Interest on long-term debt	121,092	112,096	130,902	141,154	132,969	150,486	146,312	138,304	132,238
Unallocated depreciation	1,144	1,152	1,315	1,441	1,513	720	992	976	1,448
<b>Total governmental activities expenses</b>	<b>\$ 4,300,707</b>	<b>\$ 4,641,628</b>	<b>\$ 5,089,790</b>	<b>\$ 5,698,369</b>	<b>\$ 5,857,901</b>	<b>\$ 6,749,859</b>	<b>\$ 6,933,445</b>	<b>\$ 7,405,905</b>	<b>\$ 7,553,349</b>
Business-type activities:									
Unemployment insurance	407,241	377,395	334,065	238,386	239,232	296,784	439,632	1,336,043	2,233,382
Housing	76,904	71,927	60,250	53,011	45,397	46,152	43,953	44,382	57,342
Water loans	4,930	4,715	5,856	7,710	8,226	7,885	6,218	6,218	14,697
Workers' compensation and safety	19,581	19,274	20,685	21,004	23,991	25,381	26,258	26,801	26,084
Higher education (a)	-	-	-	11,496	18,940	8,109	13,103	13,103	14,051
Other	12,695	13,134	13,021	14,706	15,601	16,424	20,496	16,967	23,175
<b>Total business-type activities expenses</b>	<b>\$ 211,451</b>	<b>\$ 216,441</b>	<b>\$ 213,621</b>	<b>\$ 247,303</b>	<b>\$ 253,867</b>	<b>\$ 274,656</b>	<b>\$ 340,613</b>	<b>\$ 340,613</b>	<b>\$ 340,613</b>
<b>Total primary government expenses</b>	<b>\$ 4,822,058</b>	<b>\$ 5,128,073</b>	<b>\$ 5,523,667</b>	<b>\$ 6,044,682</b>	<b>\$ 6,209,288</b>	<b>\$ 7,152,989</b>	<b>\$ 7,478,729</b>	<b>\$ 8,849,419</b>	<b>\$ 9,922,080</b>





**Table 3 - Fund Balances of Governmental Funds**

Last Nine Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>									
Reserved	\$ 43,256	\$ 68,540	\$ 66,523	\$ 65,656	\$ 35,336	\$ 17,585	\$ 15,088	\$ 13,512	\$ 12,463
Unreserved	7,492	40,981	275,586	474,342	486,160	427,506	384,663	179,310	222,095
<b>Total General fund</b>	<b>\$ 50,748</b>	<b>\$ 109,521</b>	<b>\$ 342,109</b>	<b>\$ 539,998</b>	<b>\$ 521,496</b>	<b>\$ 445,091</b>	<b>\$ 399,751</b>	<b>\$ 192,822</b>	<b>\$ 234,558</b>
<b>All Other Governmental Funds</b>									
Reserved	\$ 1,474,192	\$ 1,384,530	\$ 651,738	\$ 798,715	\$ 1,004,407	\$ 1,244,430	\$ 1,311,024	\$ 947,719	\$ 1,078,045
Unreserved, reported in:									
Special revenue funds	383,769	260,297	1,156,797	1,225,603	1,038,753	771,887	403,715	396,520	203,466
Capital projects funds	51,352	71,137	41,871	46,316	39,365	87,057	17,402	73,892	59,944
Permanent funds	21	22	22	21	21	22	22	20	20
<b>Total all other governmental funds</b>	<b>\$ 1,909,334</b>	<b>\$ 1,715,986</b>	<b>\$ 1,850,428</b>	<b>\$ 2,070,655</b>	<b>\$ 2,082,546</b>	<b>\$ 2,103,396</b>	<b>\$ 1,732,163</b>	<b>\$ 1,418,151</b>	<b>\$ 1,341,475</b>

Note: Due to changes in the State's fund structure initiated when GASB Statement 34 was implemented, the fund balance information is available only beginning in 2002.

**Table 4 - Changes in Fund Balances of Governmental Funds**

Last Nine Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>									
Gaming taxes, fees, licenses	\$ 697,482	\$ 735,652	\$ 834,791	\$ 900,261	\$ 1,003,111	\$ 1,028,663	\$ 1,008,516	\$ 880,573	\$ 842,359
Sales taxes	718,910	756,962	858,866	993,324	1,099,483	1,132,418	1,088,024	953,112	870,539
Modified business taxes (a)	-	-	161,649	226,923	255,252	278,953	284,600	277,516	385,110
Insurance premium taxes	156,347	173,993	194,218	215,353	238,297	259,275	256,693	238,524	233,906
Property and transfer taxes (a)	99,234	95,808	204,866	287,410	318,941	296,498	280,895	278,881	266,878
Motor and special fuel taxes	242,670	253,951	269,132	281,726	297,383	300,182	297,088	272,614	268,554
Other taxes	263,657	269,762	348,238	352,321	343,292	373,436	372,652	387,449	620,543
Intergovernmental	1,347,251	1,662,820	1,825,723	1,943,630	1,972,799	2,108,916	2,058,071	2,672,751	3,273,266
Licenses, fees and permits	270,724	280,851	344,238	377,419	422,934	429,501	432,729	419,514	452,838
Sales and charges for services	54,953	58,585	76,173	81,561	80,134	97,408	95,407	85,401	84,422
Interest and investment income	124,674	110,011	74,003	120,901	152,801	239,651	185,006	44,831	37,855
Tobacco settlement income	44,628	44,753	38,300	39,114	35,685	37,351	45,976	50,062	41,963
Fines	3,780	4,202	4,235	-	-	-	-	-	-
Land sales	4,976	11,654	27,413	39,770	71,231	5,756	2,503	663	965
Other	49,459	54,232	48,153	71,372	88,006	91,086	105,475	141,808	112,728
<b>Total revenues</b>	<b>4,078,745</b>	<b>4,513,236</b>	<b>5,309,998</b>	<b>5,931,085</b>	<b>6,379,349</b>	<b>6,679,094</b>	<b>6,513,635</b>	<b>6,703,699</b>	<b>7,491,926</b>





**Table 5 - Taxable Sales by County**

Last Ten Fiscal Years, (Expressed in Thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Taxable Sales by County:</b>										
Carson City	\$ 824,013	\$ 888,249	\$ 861,278	\$ 913,495	\$ 979,049	\$ 1,021,210	\$ 991,893	\$ 919,266	\$ 761,379	\$ 678,626
Churchill	216,392	220,744	226,398	240,352	280,304	331,338	306,426	294,411	321,713	251,257
Clark	22,629,122	22,835,362	24,535,344	28,075,636	32,430,309	35,604,392	36,262,388	35,930,374	31,378,242	27,969,288
Douglas	573,497	565,974	646,960	750,928	805,334	815,590	765,218	691,609	584,679	537,187
Eiko	773,158	714,949	700,491	757,714	857,707	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158
Esmeralda	5,705	5,349	5,472	7,575	8,707	8,598	16,523	12,645	9,226	6,551
Eureka	142,184	140,199	153,837	162,155	194,943	315,450	501,077	328,505	285,942	266,356
Humboldt	307,041	312,273	306,695	332,605	386,364	483,366	474,811	508,713	498,791	533,667
Lander	71,903	62,927	48,072	55,421	157,114	170,539	280,378	228,213	264,109	220,348
Lincoln	22,086	22,026	35,946	24,131	30,023	31,529	15,398	26,967	25,257	25,871
Lyon	254,695	251,497	274,983	323,078	390,743	441,896	375,523	385,591	340,284	290,241
Mineral	32,621	28,821	30,867	36,424	31,532	33,445	35,679	38,843	37,247	36,280
Nye	296,517	291,330	309,420	366,330	477,921	522,296	540,377	473,291	427,505	397,570
Pershing	61,175	56,962	54,274	54,925	56,847	62,992	68,332	67,279	62,892	65,681
Storey	57,915	40,518	38,504	54,571	85,416	109,411	204,717	121,244	59,578	48,299
Washoe	5,194,146	5,280,706	5,475,602	6,003,368	6,660,263	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982
White Pine	64,994	68,065	70,754	80,819	127,928	175,147	192,877	197,818	220,815	174,705
<b>Total</b>	<b>\$ 31,527,164</b>	<b>\$ 31,785,951</b>	<b>\$ 33,774,897</b>	<b>\$ 38,239,527</b>	<b>\$ 43,960,504</b>	<b>\$ 48,402,487</b>	<b>\$ 49,427,707</b>	<b>\$ 48,196,849</b>	<b>\$ 42,086,614</b>	<b>\$ 37,772,067</b>

**Direct Sales Tax Rate** 2% 2% 2% 2% 2% 2% 2% 2% 2% 2%

**Source:** Department of Taxation

**Table 6 - Principal Sales Tax Payers by Business Type**

Current Year and Nine Years Ago, (Expressed in Thousands)

	Fiscal Year 2010			Fiscal Year 2010		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
<b>Business Type:</b>						
Food services and drinking places	\$ 5,801,746	18.4%	\$ 116,035	\$ 6,369,756	16.9%	\$ 127,395
General merchandise stores	2,833,352	9.0%	56,667	3,813,628	10.1%	76,272
Motor vehicle and parts dealers	4,323,526	13.7%	86,471	3,364,568	8.9%	67,291
Clothing and clothing accessories stores	1,276,652	4.1%	25,533	2,858,333	7.6%	57,167
Merchant wholesalers, durable goods	1,837,559	5.8%	36,751	2,360,348	6.2%	47,207
Accommodation	-	-	-	1,907,962	5.1%	38,159
Food and beverage stores	1,331,161	4.2%	26,623	1,547,832	4.1%	30,957
Building material, garden equipment, supplies	2,044,530	6.5%	40,891	1,491,780	3.9%	29,836
Electronics and appliance stores	-	-	-	1,352,813	3.6%	27,056
Rental and leasing services	-	-	-	1,315,451	3.5%	26,309
Miscellaneous retail	3,416,877	10.9%	68,337	-	-	-
Furniture and home furnishings stores	1,742,654	5.5%	34,853	-	-	-
Business services	1,242,596	3.9%	24,852	-	-	-
<b>Total</b>	<b>\$ 25,850,653</b>	<b>82.0%</b>	<b>\$ 517,013</b>	<b>\$ 26,382,471</b>	<b>69.9%</b>	<b>\$ 527,649</b>

**Source:** Department of Taxation

**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the source of the State's revenue.

**Table 7 - Ratios of Outstanding Debt by Type**

Last Nine Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<b>Governmental Activities</b>								
General obligation bonds	\$ 2,185,798	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615
Highway revenue bonds	91,935	83,505	238,265	380,945	541,680	693,285	774,300	722,880	668,840
Obligations under capital leases	5,402	7,152	8,236	7,712	9,866	15,955	19,891	17,916	33,846
Certificates of participation	14,395	13,765	34,655	56,400	55,680	60,455	59,320	58,030	56,770
<b>Total governmental activities</b>	<b>2,297,530</b>	<b>2,282,640</b>	<b>2,567,705</b>	<b>2,738,850</b>	<b>2,682,984</b>	<b>2,734,311</b>	<b>2,763,236</b>	<b>2,878,631</b>	<b>2,827,071</b>
<b>Business-type Activities</b>									
General obligation bonds	57,625	54,410	120,530	120,455	118,540	117,310	115,805	113,055	105,060
Special obligation bonds	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783	994,044
Total business-type activities	1,370,660	1,238,573	1,090,617	983,421	864,320	899,617	1,002,000	1,024,838	1,099,104
<b>Total primary government</b>	<b>\$ 3,668,190</b>	<b>\$ 2,337,050</b>	<b>\$ 3,658,322</b>	<b>\$ 3,722,271</b>	<b>\$ 3,547,304</b>	<b>\$ 3,633,928</b>	<b>\$ 3,765,236</b>	<b>\$ 3,903,469</b>	<b>\$ 3,926,175</b>
<b>Debt as a Percentage of Personal Income</b>	5.70%	5.28%	5.11%	4.72%	4.09%	3.93%	3.63%	3.72%	3.94%
<b>Amount of Debt per Capita</b>	\$ 1,751	\$ 1,624	\$ 1,632	\$ 1,595	\$ 1,469	\$ 1,456	\$ 1,468	\$ 1,501	\$ 1,485

**Notes:** Details regarding the State's debt can be found in the notes to the financial statements.

The State did not begin reporting government-wide statements until the implementation of GASB Statement 34 in fiscal year 2002.

See table 11 for personal income and population data.

Debt as a Percentage of Personal Income is based on prior year Personal Income.

Amount of Debt per Capita is based on prior year Population.





**Table 8 - Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Bonded Debt</b>										
<b>Outstanding</b>										
General obligation bonds	\$ 2,204,316	\$ 2,185,798	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615
Certificates of participation	15,000	14,395	13,765	13,105	12,415	11,695	10,940	10,155	9,335	24,280
Water projects bonds (a)	-	57,625	54,410	120,530	120,455	120,782	117,355	110,286	107,534	99,511
Housing bonds	1,276,954	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783	994,193
Total	3,496,270	3,570,853	3,430,556	3,390,271	3,289,629	2,954,015	2,875,218	2,916,361	3,108,457	3,185,599
Less: amounts restricted to repaying principal	100,891	105,685	107,448	110,906	110,467	125,884	129,087	136,309	142,539	145,793
<b>Net general bonded debt</b>	<b>\$ 3,395,379</b>	<b>\$ 3,465,168</b>	<b>\$ 3,323,108</b>	<b>\$ 3,279,365</b>	<b>\$ 3,179,162</b>	<b>\$ 2,828,131</b>	<b>\$ 2,746,131</b>	<b>\$ 2,780,052</b>	<b>\$ 2,965,918</b>	<b>\$ 3,039,806</b>

**Actual Taxable Property**

Value	\$142,140,708	\$151,267,821	\$165,053,522	\$179,822,444	\$198,569,862	\$245,075,283	\$327,140,473	\$383,571,013	\$410,130,698	\$341,886,423
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**Percentage of Actual Taxable**

Value of Property	2.39%	2.29%	2.01%	1.82%	1.60%	1.15%	0.84%	0.72%	0.72%	0.89%
Debt Per Capita (b)	\$ 1,621	\$ 1,598	\$ 1,482	\$ 1,406	\$ 1,316	\$ 1,133	\$ 1,071	\$ 1,069	\$ 1,122	N/A

**Note:** Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Water project bonds included in general obligation bonds fiscal years 2001 and prior.

(b) See Table 11 for population data.

## Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 1,075,731	\$ 1,172,317	\$ 1,276,838	\$ 1,408,688	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849	\$ 2,963,124	\$ 2,482,138	\$ 1,900,366
Total debt applicable to limit	777,902	804,860	825,082	925,183	944,732	920,737	1,015,375	1,214,991	1,405,781	1,410,211
<b>Legal debt margin</b>	<b>\$ 297,829</b>	<b>\$ 367,457</b>	<b>\$ 451,756</b>	<b>\$ 483,505</b>	<b>\$ 799,004</b>	<b>\$ 1,418,856</b>	<b>\$ 1,741,474</b>	<b>\$ 1,748,133</b>	<b>\$ 1,076,357</b>	<b>\$ 490,155</b>
<b>Legal debt margin as a percentage of the debt limit</b>	<b>27.69%</b>	<b>31.34%</b>	<b>35.38%</b>	<b>34.32%</b>	<b>45.82%</b>	<b>60.65%</b>	<b>63.17%</b>	<b>59.00%</b>	<b>43.36%</b>	<b>25.79%</b>

### Computation of Legal Debt Margin at June 30, 2010:

<b>Assessed value of taxable property at June 30, 2010 (a)</b>	<b>\$ 95,018,324</b>
Debt limitation (2% of assessed value)	\$ 1,900,366
General Obligation Bonds subject to limit	\$ 1,368,465
Leases	33,846
Certificates of participation	56,080
<i>Less obligations exempt from debt margin:</i>	
Lease revenue certificates of participation	(48,180)
Debt subject to debt limitation	(1,410,211)
<b>Legal debt margin at June 30, 2010</b>	<b>\$ 490,155</b>

**Note:**

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.



**Table 10 - Pledged Revenue Coverage**

Last Ten Fiscal Years, (Expressed in Thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Highway Improvement Revenue Bonds</b>										
Revenue - fuel taxes	\$ 232,974	\$ 239,365	\$ 250,740	\$ 265,964	\$ 278,641	\$ 294,348	\$ 297,142	\$ 293,941	\$ 269,479	\$ 265,487
Debt service										
Principal	\$ -	\$ 8,065	\$ 8,430	\$ 21,675	\$ 30,665	\$ 30,710	\$ 41,125	\$ 48,955	\$ 51,420	\$ 54,040
Interest	2,254	4,806	4,394	11,712	18,719	23,739	30,106	32,727	37,157	33,876
<b>Total</b>	<b>\$ 2,254</b>	<b>\$ 12,871</b>	<b>\$ 12,824</b>	<b>\$ 33,387</b>	<b>\$ 49,384</b>	<b>\$ 54,449</b>	<b>\$ 71,231</b>	<b>\$ 81,682</b>	<b>\$ 88,577</b>	<b>\$ 87,916</b>
Coverage (c)	103.36	18.60	19.55	7.97	5.64	5.41	4.17	3.60	3.04	3.02
<b>Mortgage Revenue Bonds</b>										
Revenue (a)	\$ 167,700	\$ 206,589	\$ 312,431	\$ 335,062	\$ 251,806	\$ 435,332	\$ 355,328	\$ 129,286	\$ 70,051	\$ 42,123
Expenses (b)	9,315	11,835	8,770	10,335	9,512	6,720	4,595	4,368	5,277	6,548
<b>Net available revenues</b>	<b>\$ 158,385</b>	<b>\$ 194,754</b>	<b>\$ 303,661</b>	<b>\$ 324,727</b>	<b>\$ 242,294</b>	<b>\$ 428,612</b>	<b>\$ 350,733</b>	<b>\$ 124,918</b>	<b>\$ 64,774</b>	<b>\$ 35,575</b>
Debt service										
Principal	\$ 69,511	\$ 187,664	\$ 257,702	\$ 297,681	\$ 155,791	\$ 136,186	\$ 51,003	\$ 37,897	\$ 33,592	\$ 67,082
Interest	65,749	67,796	63,235	50,034	42,298	38,644	37,002	38,051	36,354	33,236
<b>Total</b>	<b>\$ 135,260</b>	<b>\$ 255,460</b>	<b>\$ 320,937</b>	<b>\$ 347,715</b>	<b>\$ 198,089</b>	<b>\$ 174,830</b>	<b>\$ 88,005</b>	<b>\$ 75,948</b>	<b>\$ 69,946</b>	<b>\$ 100,318</b>
Coverage (c)	1.17	0.76	0.95	0.93	1.22	2.45	3.99	1.64	0.93	0.36

**Notes:** Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.

(b) Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.

(c) Coverage equals net available revenues divided by total debt service.

**Table 11 - Demographic and Economic Statistics**

Last Ten Calendar Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Population</b>										
Nevada	2,018,214	2,094,827	2,167,867	2,241,700	2,332,898	2,414,807	2,495,529	2,565,382	2,600,167	2,643,085
Percentage change	4.3%	3.8%	3.5%	3.4%	4.1%	3.5%	3.3%	2.8%	1.4%	1.7%
United States	282,193,477	285,107,923	287,984,799	290,850,005	293,656,842	296,410,404	299,398,484	301,621,157	304,059,724	307,006,550
Percentage change	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	1.0%	0.7%	0.8%	1.0%
<b>Total Personal Income</b>										
Nevada ( <i>in millions</i> )	61,428	64,367	66,632	71,606	78,822	86,650	92,557	103,847	104,924	99,621
Percentage change	8.8%	4.8%	3.5%	7.5%	10.1%	9.9%	6.8%	12.2%	1.0%	-5.1%
United States ( <i>in millions</i> )	8,422,074	8,716,992	8,872,871	9,157,257	9,705,504	10,251,639	10,860,917	11,645,882	12,086,534	12,165,474
Percentage change	8.0%	3.5%	1.8%	3.2%	6.0%	5.6%	5.9%	7.2%	3.8%	0.7%
<b>Per Capita Personal Income</b>										
Nevada	30,437	30,727	30,736	31,943	33,787	35,883	37,089	40,480	40,353	37,691
Percentage change	4.3%	1.0%	0.0%	3.9%	5.8%	6.2%	3.4%	9.1%	-0.3%	-6.6%
United States	29,845	30,574	30,810	31,484	33,050	34,586	36,276	38,611	39,751	39,626
Percentage change	6.8%	2.4%	0.8%	2.2%	5.0%	4.6%	4.9%	6.4%	3.0%	-0.3%
<b>Labor Force and Employment</b>										
Nevada Labor Force	1,064,015	1,102,370	1,124,629	1,148,519	1,177,558	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891
Unemployed	47,943	58,459	62,729	58,810	51,212	49,002	54,217	64,380	91,450	161,270
Unemployment Rate	4.5%	5.3%	5.6%	5.1%	4.3%	4.0%	4.2%	4.8%	6.7%	11.8%
United States Labor Force	142,583,000	143,734,000	144,863,000	146,510,000	147,401,000	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000
Unemployed	5,692,000	6,801,000	8,378,000	8,774,000	8,149,000	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000
Unemployment Rate	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%

**Sources:** U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation

**Note:** Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.



Table 12 - Principal Employers

Current Year and Nine Years Ago

Employer:	Calendar Year 2000			Calendar Year 2009		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Clark County School District	25,000 - 25,499	1	2.37%	30,000 - 39,999	1	2.55%
State of Nevada	15,000 - 15,499	2	1.43%	30,000 - 39,999	2	2.55%
Clark County	8,000 - 8,499	3	0.78%	8,500 - 8,999	3	0.64%
Washoe County School District	6,500 - 6,999	5	0.63%	8,500 - 8,999	4	0.64%
Wynn Las Vegas	-	-	-	8,000 - 8,499	5	0.60%
Aria Resort & Casino, LLC	-	-	-	7,500 - 7,999	6	0.57%
MGM Grand Hotel/Casino	8,000 - 8,499	4	0.78%	7,500 - 7,999	7	0.57%
Bellagio, LLC	-	-	-	7,000 - 7,499	8	0.53%
Mandalay Bay Resort & Casino	-	-	-	6,000 - 6,499	9	0.46%
Las Vegas Metropolitan Police	3,500 - 3,999	10	0.35%	5,500 - 5,999	10	0.42%
Mirage Casino-Hotel	6,000 - 6,499	6	0.59%	-	-	-
Caesars Palace	4,500 - 4,999	7	0.45%	-	-	-
University of Nevada - LV	4,500 - 4,999	8	0.45%	-	-	-
Luxor	4,000 - 4,499	9	0.40%	-	-	-
<b>Total</b>	<b>85,000 - 89,990</b>		<b>8.23%</b>	<b>118,500 - 142,490</b>		<b>9.53%</b>

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Personnel

Note: Percentage of total state employment is based on the midpoints in the ranges given.

**Table 13 - School Enrollment**

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public School Enrollment</b>										
Primary (K - 6)	207,039	211,260	217,488	223,973	229,419	201,465	239,418	240,453	235,295	239,723
Secondary (7 - 12)	149,775	158,225	167,926	177,245	183,833	189,501	193,822	196,325	196,014	196,921
<b>Total</b>	<b>356,814</b>	<b>369,485</b>	<b>385,414</b>	<b>401,218</b>	<b>413,252</b>	<b>390,966</b>	<b>433,240</b>	<b>436,778</b>	<b>431,309</b>	<b>436,644</b>
<b>Public Higher Education Enrollment</b>										
University of Nevada, Reno	10,804	11,668	11,965	12,451	12,660	12,444	12,429	12,709	12,889	13,601
University of Nevada, Las Vegas	16,232	17,777	18,639	20,077	20,569	20,180	20,007	20,297	20,670	20,160
Nevada State College	-	116	330	856	1,017	1,310	1,418	1,340	1,622	1,867
College of Southern Nevada	15,266	16,532	17,716	17,676	18,234	18,320	19,501	20,906	21,751	22,286
Great Basin College	1,208	1,251	1,436	1,356	1,353	1,584	1,613	1,781	2,002	1,996
Truckee Meadows Community College	4,889	5,324	5,559	5,953	6,213	6,210	6,454	6,800	7,312	7,143
Western Nevada College	2,128	2,164	2,180	2,288	2,410	2,463	2,427	2,438	2,908	2,960
<b>Total</b>	<b>50,527</b>	<b>54,832</b>	<b>57,825</b>	<b>60,657</b>	<b>62,456</b>	<b>62,511</b>	<b>63,849</b>	<b>66,271</b>	<b>69,154</b>	<b>70,013</b>

**Sources:** Nevada Department of Education and Nevada System of Higher Education**Note:** Public higher education enrollment represents full-time equivalent students at fall enrollment.**Table 14 - Full-time Equivalent State Government Employees by Function**

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Function</b>										
General government	1,423	1,449	1,421	1,470	1,513	1,536	1,558	1,570	1,539	1,487
Health and social services	4,425	4,495	4,562	5,044	4,992	5,364	5,773	6,145	5,823	6,151
Education and support services	3,310	6,863	7,240	7,092	7,762	8,118	8,670	9,030	8,930	8,670
Law, justice and public safety	5,148	5,210	4,995	5,244	5,449	5,654	5,946	5,924	5,815	5,812
Regulation of business	1,261	1,259	1,217	1,298	1,315	1,331	1,412	1,390	1,363	1,374
Transportation	1,703	1,720	1,757	1,798	1,783	1,771	1,792	1,829	1,810	1,776
Recreation and resource development	1,369	1,398	1,417	1,425	1,455	1,479	1,403	1,186	1,172	1,172
<b>Total</b>	<b>18,639</b>	<b>22,394</b>	<b>22,609</b>	<b>23,371</b>	<b>24,269</b>	<b>25,263</b>	<b>26,554</b>	<b>27,074</b>	<b>26,452</b>	<b>26,442</b>

**Sources:** Nevada Department of Personnel, Nevada System of Higher Education and Legislative Counsel Bureau



Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
<i>Department of Taxation</i>										
Number of sales and use tax audits	1,413	1,796	1,825	1,377	1,643	1,668	1,994	1,346	1,397	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	30,196	30,889	31,328	31,042	33,395	35,049	38,936	42,049	44,232	43,943
Generic drug utilization (b)	43%	43%	52%	52%	59%	59%	65%	65%	N/A	N/A
<i>Department of Administration</i>										
Square feet of non-state owned space leased (b)	1,391,463	1,391,463	1,376,534	1,376,534	1,377,525	1,377,525	1,547,467	1,547,467	N/A	N/A
Job applications processed	21,641	27,536	39,635	48,089	36,317	54,378	92,353	66,041	68,552	76,129
<b>Health and Social Services</b>										
<i>Department of Education, Training &amp; Rehabilitation</i>										
Vocational Rehabilitation clients entering full-time employment with insurance (b)	79%	79%	65%	65%	48%	48%	58%	58%	N/A	N/A
Career Enhancement Program clients entering employment (b)	60%	60%	91%	91%	84%	84%	90%	90%	N/A	N/A
<i>Health Care Financing &amp; Policy</i>										
Nevada Medicaid - average monthly eligibles	117,629	141,681	163,784	172,779	176,418	172,685	168,197	180,369	197,313	240,528
NV Check-Up Program - average monthly enrollment (b)	22,414	22,414	25,025	25,025	27,492	27,492	29,075	29,075	N/A	N/A
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	476,920	482,421	520,463	538,857	567,076	602,100	602,764	711,018	793,166	870,398
<i>Welfare Division</i>										
Average monthly number of TANF recipients	18,123	28,809	31,034	24,956	21,748	19,880	17,706	21,022	22,556	29,084
Average monthly number of Mental Health clients	13,187	14,354	16,390	16,616	14,981	14,655	13,249	14,582	15,575	15,160
Average monthly number of Mental Health inpatients	146	155	142	153	182	198	246	265	253	225
Average monthly number of SNAP (Food Stamp) recipients	70,016	91,216	106,966	119,750	122,042	118,474	119,596	137,589	179,790	260,417
Average monthly number of Developmental Services clients	2,782	3,054	3,225	3,522	3,888	4,057	4,387	4,672	4,876	5,086
Percent of current child support owed that is collected (b)	46%	46%	47%	47%	46%	46%	46%	46%	N/A	N/A
TANF recipient children receiving child care (f)	17,325	17,325	15,843	15,843	17,977	17,977	16,797	24,705	19,119	17,407
Non-TANF children receiving child care (f)	106,779	106,779	44,998	44,998	104,463	104,463	112,452	113,426	84,517	69,541
Applications for energy assistance received (b)	20,076	20,076	19,081	19,081	24,846	24,846	27,515	27,515	N/A	N/A
Households served with energy assistance (b)	15,665	15,665	15,986	15,986	14,552	14,552	16,846	16,846	N/A	N/A
<b>Education and Support Services</b>										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (f)	N/A	N/A	89%	89%	88%	88%	N/A	93%	95%	88%
Percent of public schools participating in the Nat'l School Lunch Program (b)	85%	85%	93%	93%	94%	94%	94%	94%	N/A	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program (b)	42%	42%	34%	34%	41%	41%	43%	43%	N/A	N/A
Number of meals served in the Children & Adult Food Care Program (b)	3,243,965	3,243,965	4,297,850	4,297,850	4,256,701	4,256,701	3,093,889	3,093,889	N/A	N/A
Number of special education students receiving a high school diploma (f)	492	492	675	675	503	503	458	437	703	560
Percent/number of elementary students identified as being at risk receiving supplemental instruction from Title I funds (b)	52%	52%	60%	60%	5,389	5,389	5,993	5,993	N/A	N/A
<i>Department of Cultural Affairs</i>										
Volumes (excludes documents and microfilm)	64,451	66,140	69,361	73,005	76,527	76,527	79,917	82,913	81,368	N/A
Government publications (U.S., Nevada and California)	677,500	683,384	741,573	771,258	779,194	798,013	813,142	827,697	833,705	N/A

<b>Law, Justice and Public Safety</b>											
<i>The Supreme Court of Nevada</i>											
Cases filed (c)	1,784	1,711	1,848	1,885	2,049	2,171	2,124	2,212	2,169	N/A	
Cases disposed (c)	2,001	1,866	1,651	1,949	1,994	2,387	1,976	2,058	2,238	N/A	
Number of opinions written (c)	80	97	68	105	90	121	61	103	63	N/A	
<i>Nevada Department of Corrections</i>											
Total admissions (e)	4,666	4,843	5,337	5,574	5,741	6,292	6,016	N/A	5,781	5,801	
Total releases (e)	4,540	4,734	4,873	4,708	5,455	5,162	5,308	N/A	6,120	6,056	
In-house population at year-end (e)	9,959	10,081	10,550	11,427	11,740	12,816	12,967	12,853	12,742	12,591	
<i>Department of Public Safety, Highway Patrol Division</i>											
Total number of DUI arrests	3,997	N/A	3,778	3,687	3,803	4,264	5,093	4,720	4,676	3,981	
Total number of safety inspections	13,610	N/A	16,560	20,627	20,800	24,714	24,227	22,669	26,478	26,056	
<i>Department of Motor Vehicles</i>											
Motor vehicle registrations	1,489,555	1,488,540	1,543,514	1,790,456	1,884,816	2,262,743	2,351,581	2,345,500	2,335,778	2,284,437	
<b>Regulation of Business</b>											
<i>Nevada Gaming Commission</i>											
Licenses issued & active at fiscal year-end	2,806	2,846	2,829	2,913	2,905	2,924	2,961	2,933	2,882	2,827	
Licensed devices at fiscal year-end:											
Games	6,102	6,002	5,998	6,040	6,188	6,232	6,133	6,135	6,019	5,985	
Tables	469	388	473	540	760	1,098	1,102	1,001	1,063	1,132	
Slots	213,191	212,493	209,976	205,041	204,213	207,569	202,362	198,080	194,180	190,135	
<i>Department of Business and Industry</i>											
Units of affordable housing produced (b)	350	350	263	263	236	236	403	403	N/A	N/A	
Taxicab Authority notices of violation issued (f)	4,077	4,077	4,046	4,046	3,290	3,290	3,129	4,066	4,292	3,474	
Taxicab Authority vehicle inspections made (f)	7,147	7,147	6,836	6,836	6,627	6,627	6,486	7,025	7,507	7,471	
Number of worksite safety & health inspections	3,269	3,651	3,520	3,070	2,753	2,594	2,399	2,566	2,835	2,040	
Number of boiler and elevator inspections	12,889	19,702	20,020	20,105	20,535	20,606	18,323	19,233	21,200	16,382	
Insurance license and renewal applications processed (b)	23,911	23,911	30,621	30,621	41,646	41,646	44,765	44,765	N/A	N/A	
<b>Transportation</b>											
<i>Nevada Department of Transportation</i>											
Miles of highways - rural (e)	4,899	4,898	4,900	4,900	4,694	4,741	4,757	4,736	4,802	4,782	
Miles of highways - urban (e)	548	549	549	549	705	658	665	662	618	618	
<b>Recreation and Resource Development</b>											
<i>Commission on Tourism</i>											
Inquiries from advertising campaign (d)	177,350	177,350	175,318	124,608	155,019	162,592	301,223	417,269	363,677	196,058	
Tourism web site visitors (d)	1,033,601	1,033,601	1,327,170	1,341,046	1,423,359	1,405,972	1,951,193	3,459,745	1,685,237	2,056,349	
<i>Commission on Economic Development</i>											
Number of projects requesting Community Development Block Grants (f)	53	53	43	43	57	57	42	37	21	46	
Number of projects funded (f)	40	40	28	28	27	27	27	26	20	38	
<i>Department of Conservation and Natural Resources</i>											
Percent of human caused wildland fires in NDF's jurisdiction investigated (b)	96%	96%	100%	100%	97%	97%	100%	100%	N/A	N/A	
Number of State Park users (c)	3,315,158	3,305,115	3,296,020	3,219,061	3,207,537	3,215,606	3,343,053	3,004,037	3,150,693	N/A	
Number of State Park users per FTE employees (b)	23,940	23,940	26,054	26,054	24,391	24,391	22,915	22,915	N/A	N/A	
Number of State Park users per arrest (b), actual beginning 2005	139,495	139,495	131,749	131,749	50,027	54,920	66,552	49,301	94,441	153,375	

N/A = not available

**Sources:** Nevada Departments of Taxation, Personnel, Health and Human Services, Cultural Affairs, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

**Notes:**

- (a) See table 13 for public school enrollment.
- (b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Therefore, base year figures have been used for odd numbered years in this table.
- (c) Data based on calendar year.
- (d) Revised figures provided by Commission on Tourism for 2003-2006 and 2009.
- (e) Data prior to 2009 was based on calendar year.
- (f) Data from Executive Budget prior to 2006.





Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
State owned office space (square feet)	132,975	138,011	138,011	146,045	142,733	214,747	215,867	201,688	201,688	202,229
Vehicles (motor pool)	762	816	756	789	741	824	790	849	851	828
<b>Health and Social Services</b>										
State owned office space (square feet)	86,712	77,668	77,668	93,509	93,509	122,415	52,626	33,093	33,344	70,939
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	0	1	1	1	1	1	1	1	1	1
Youth correctional centers	2	2	2	3	3	3	3	3	3	2
Vehicles	254	272	267	249	251	241	240	225	232	219
<b>Education and Support Services</b>										
State owned office space (square feet)	19,767	19,767	19,767	19,767	19,767	28,200	28,200	28,200	27,949	28,031
Number of State museums	6	6	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
<b>Law, Justice and Public Safety</b>										
State owned office space (square feet)	383,308	385,428	400,108	459,331	478,724	550,648	540,125	596,564	596,564	646,446
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	21	20	20	20	20	21	21	19	20	20
Vehicles	915	1,022	1,049	1,020	1,065	1,091	1,067	1,172	1,217	1,199
<b>Regulation of Business</b>										
State owned office space (square feet)	74,470	77,954	77,954	72,259	71,811	107,547	107,547	107,547	107,547	106,027
Vehicles	207	240	238	250	283	279	285	292	293	323
<b>Transportation</b>										
State owned office space (square feet)	179,948	179,948	179,948	179,948	179,948	184,988	251,658	251,658	251,658	258,056
NDOT lane miles	13,220	13,203	13,196	13,199	13,199	13,087	13,131	13,137	13,055	13,055
NDOT bridges	1,004	994	1,005	997	1,015	1,025	1,045	1,092	1,092	1,092
NDOT vehicles	791	812	758	803	829	872	864	901	826	625
NDOT heavy equipment	1,751	1,751	1,814	1,802	1,826	1,875	1,900	1,913	1,886	2,033
NDOT maintenance stations (staffed)	45	45	45	45	45	41	51	48	45	45
<b>Recreation and Resource Development</b>										
State owned office space (square feet)	33,042	26,965	26,965	36,593	36,593	146,982	137,353	139,874	139,874	140,998
Number of State Parks	25	25	25	25	25	26	24	25	24	24
Acres of State Parks	132,590	132,590	132,590	132,800	132,800	132,800	132,800	132,117	145,750	145,750
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	117,959	117,959	117,959	117,959	117,959	116,888	118,993
Vehicles	911	913	940	927	1,007	998	803	811	854	919

**Sources:** Federal Highway Administration; Nevada Attorney General's Office; Nevada Departments of Administration, Conservation and Natural Resources, Corrections, Cultural Affairs, Health & Human Services, Transportation, Wildlife

**Note:** Division of Buildings and Grounds changed the way State-owned office building rent (previously based on useable square footage) is calculated beginning in fiscal year 2006. Rent is now based on gross instead of useable square footage.



**Douglas County, NV**

Photographed by Grant Tuttle

**Heavenly Ski Resort  
South Lake Tahoe, NV**

Photographed by Dana Tuttle



# COMPLIANCE SECTION



**Little Dipper Heavenly Ski Resort  
South Lake Tahoe, NV**

Photographed by Dana Tuttle



Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

The Honorable Kim Wallin, CMA, CFM, CPA  
State Controller

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada (the State), as of and for the year ended June 30, 2010, which collectively comprise the State's basic financial statements and have issued our report thereon dated December 17, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Nevada Legislature, management of the State, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
December 17, 2010



Joseph Costing, Architect No 9 Post St  
San Francisco

PHOTO. 7/24/55